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ABSTRACT

This report examines time-limited welfare beginning at the broadest level, tracing the rapid emergence of time-limited welfare as a policy approach in part I. Chapter 1 examines the history of time-limited welfare and the key challenges posed by this policy. Part II begins to focus on the three participating states--Florida, Vermont, and Wisconsin--describing the goals, evolution, and planning of the policies. Chapter 2 examines the roots of the three programs, characteristics of locations where the programs are operating, and attitudes and characteristics of welfare recipients subject to the programs. These contextual factors have helped to shape the policies that are discussed in chapter 3 and implementation experiences that are examined in part III. Part III moves from the state level to the local level, where the challenges of operating time-limited welfare programs are being faced. Chapter 4 examines the planning and start-up of the three time-limit programs, focusing special attention on computerized management information systems, which played a key role. Chapter 5 focuses on communication of the new message of welfare to recipients and discusses how to explain the new policies and their implications for recipients and to change the day-to-day operation of the welfare system. Chapter 6 describes the central role of the Job Opportunities and Basic Skills Training Program in all three state programs. Contains 17 references. (YLB)

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The Cross-State Study of Time-Limited Welfare

Implementing Time-Limited Welfare:

Early Experiences in Three States

Dan Bloom
David Butler

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Manpower Demonstration
Research Corporation

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Acknowledgments

The Cross-State Study of Time-Limited Welfare is, in many ways, an unusual project. It is looking at the initial implementation of a policy approach that is still in its infancy. The project would be impossible without the active cooperation and support of the participating states.

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The Authors

Preface

This is the first report in the Cross-State Study of Time-Limited Welfare, an effort to examine the policies and actions of several states at the forefront of translating a new vision of welfare into real-life programs.

Time limits potentially represent a fundamental change in the nature of public assistance. The opportunities are great. At the same time, given the fact that two-thirds of AFDC recipients are poor children, the risks are profound. And yet, the knowledge base on this policy approach is nearly nonexistent. Objective, timely information is urgently needed to inform a fast-moving policy debate that is often far removed from the actual experiences of welfare recipients, administrators, and staff.

As the report shows, states expect time limits to generate profound changes in the behavior of welfare recipients and the workings of the welfare system. However, at least in the three early-starting states featured in the report, time limits are not expected to operate alone. In fact, the imposition of time limits has spurred new investments and renewed efforts to strengthen many of the work-focused policies that have been the mainstay of welfare reform efforts for a decade or more.

In the short term, these supplementary policies – which aim to move recipients into jobs and off welfare before they reach the time limits – represent the central challenge for states and localities that are implementing time-limit programs. The report describes the states' planning and start-up strategies, their efforts to strengthen and refocus employment services and infuse a message of self-sufficiency into the day-to-day operations of the welfare system, and the challenges they have faced in developing information systems to manage these reforms.

In general, the report highlights the importance of looking carefully at a program's early implementation. Ultimately, the fate of time-limited welfare is likely to be determined in the "trenches," in the interactions between staff and welfare recipients. Understanding how this policy affects daily life in welfare offices may be the key to understanding its long-term impacts on families and on government budgets. This report, and future reports in this series, will help tell this story.

The participating states – Florida, Vermont, and Wisconsin – deserve special credit for opening their time-limit programs to our scrutiny at an early stage, before the "bugs" were worked out. The states were not required to participate in this project – they did so to expand the knowledge base on this dramatic and important new policy approach.

Finally, the project's funders – the Annie E. Casey Foundation, the Ford Foundation, the Joyce Foundation, and the Charles Stewart Mott Foundation – have recognized the importance of this exciting project and have provided enthusiastic support.

Judith M. Gueron
President

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Executive Summary

During the past three to four years, an increasing number of federal, state, and local policymakers and program administrators have embraced the idea of placing time limits on the receipt of Aid to Families with Dependent Children (AFDC), the nation's largest cash welfare program for non-disabled parents and their children. Considering that the approach has just begun to be tested and little is known about the challenges or opportunities it poses, it is striking how quickly time-limited welfare has come to dominate national welfare reform proposals.

The Cross-State Study of Time-Limited Welfare, which is being conducted by the Manpower Demonstration Research Corporation (MDRC), is designed to help fill this knowledge gap. Funded by private foundations – the Annie E. Casey Foundation, the Ford Foundation, the Joyce Foundation, and the Charles Stewart Mott Foundation — the Cross-State Study is examining the early implementation of some of the first state-initiated time-limited welfare programs. Its goal is to understand what is involved in translating the time-limit concept into concrete policies and programs. Ultimately, long-term, full-scale evaluations, which are already underway in several states, will assess the impacts, benefits, and costs of time-limited welfare for recipients and government budgets.

This report, the first of several that will be issued as part of the Cross-State Study, focuses on Florida, Vermont, and Wisconsin, three of the earliest states to receive federal waivers to test time-limit programs. It examines time-limited welfare through a progressively sharper lens, focusing first on the broad policy approach, then on actual state policies, and finally, on the "street level" implementation of those policies.

As the "magnification" increases, time-limited welfare looks more and more complicated. At first glance, it appears to be a simple idea built on earlier policies that were designed to make welfare more transitional. But the process of making this idea a reality must confront the public's contradictory expectations of welfare, the diversity of the AFDC caseload, and a host of day-to-day implementation challenges. Recognition of these hurdles does not mean that time-limited welfare cannot work — it is far too early to draw any conclusions — but it strongly suggests that time limits do not represent a simple or cost-free response to long-term welfare receipt.

Time-Limited Welfare: Definitions and Challenges

Since its inception in 1935, the AFDC program has provided cash payments to poor children who have been deprived of the support of one of their parents; since 1950, the program has also covered the children's parent(s). Reflecting its original purpose – to allow mothers (initially mostly widows) to stay home with their children – the main AFDC program for single-parent families has never limited the amount of time children can receive benefits, as long as their family meets the program's eligibility criteria.

Given this history, time-limited welfare can represent a fundamental change. However, the term *time limit* has been defined in more than one way, and the extent of change varies depending on the definition. Most of the recent time-limit proposals fall into two broad categories:

- **Work-trigger models.** Under this approach, the time limit triggers a work requirement, and some type of public or subsidized job is provided indefinitely to parents who cannot find employment on their own.

- **Benefit termination models**. Under these models, the time limit signals the end of public support.[1] There may be work requirements *before* the time limit, but jobs are not provided to parents who reach the time limit without finding work.

Both of these approaches are quite different from the current welfare system in that they seek to limit the amount of time parents can receive cash payments without working. However, there are important distinctions between them.

Work-trigger models preserve some elements of the permanent safety net quality of the current AFDC program, while dramatically altering the type of public support that is provided. Various types of work requirements for AFDC recipients have been discussed for many years, but these mandates have not been broadly enforced.

Benefit termination models also seek to promote work. After the time limit, however, the government no longer ensures that parents have an opportunity to obtain cash income, either through welfare checks or paychecks.

Later discussion in this report will illustrate that real-life state time-limit programs are considerably more complicated than these simple descriptions imply; in fact, some of the sharp distinctions between the two approaches often blur in practice. Nevertheless, these basic definitions are important in understanding the implications of each approach.

Balancing Conflicting Goals: The Key Challenges Posed by Time-Limited Welfare

Over time, as mothers have entered the workforce in large numbers and the AFDC caseload has expanded and shifted to include a larger proportion of mothers who have never been married, public attitudes toward AFDC have changed. During the past 25 years, welfare reform policies have required a growing proportion of recipients to work or prepare for work. Conceptually, time limits could be seen as consistent with these efforts to make AFDC more transitional and temporary.

In a more concrete sense, however, time limits – particularly benefit termination models – represent a radical departure from the past. The public's expectations for welfare reform historically have been complex and contradictory. This has produced incremental reforms that simultaneously seek to reduce long-term welfare receipt, protect children from severe poverty, and keep costs relatively low. To balance these competing goals, reforms have increasingly stressed mutual responsibility: Government provides cash support and services designed to promote employment, and recipients are mandated to prepare for work or face "sanctions" (i.e., benefit reductions). Careful evaluations have shown that this approach – which was embodied in the Family Support Act of 1988 and its centerpiece, the Job Opportunities and Basic Skills Training (JOBS) Program – can simultaneously raise recipients' earnings and employment rates, reduce their reliance on AFDC, and save money for taxpayers. But welfare-to-work programs require an up-front investment of resources, and do not end poverty or long-term welfare receipt.

More recently, many state and federal policymakers have moved away from incremental welfare reform strategies. The latest round of reform proposals – many of which include time limits – have

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[1]In this context, the term *support* refers to sources of cash income, such as paychecks for subsidized work or welfare checks. It does not refer to other types of non-cash support, such as food stamps and Medicaid, which may continue after the time limit.

promised more dramatic change and, especially at the federal level, substantial reductions in welfare spending.

Although public attitudes may change, efforts to implement time-limited welfare will likely confront the same contradictory expectations that past attempts at reform have faced. Thus, the long-term challenge will be to implement time limits that end or greatly reduce long-term dependency without harming children or substantially raising costs. The precise nature of this challenge will depend on the approach: Benefit termination models clearly address long-term dependency, but may increase child poverty and raise costs in other areas (e.g., the child welfare system). Work-trigger models more clearly support children, but could end up replacing AFDC with a large public jobs program that is difficult to administer and costs more than the current welfare system. In addition, it is unclear what proportion of AFDC recipients have physical or mental problems that make it impossible for them to work steadily.

In either case, the best way to maximize the chances of success is to minimize the number of recipients who reach the time limit. Fewer people reaching the limit translates into a smaller public jobs program (if jobs are provided after the time limit) and fewer children experiencing a sharp decline in their income (if jobs are not provided). Data on current welfare receipt patterns suggest that accomplishing this goal will be difficult: Large numbers of people on AFDC currently receive benefits for more than the number of months permitted under most state and federal time-limit plans.[2] Of course, time-limited welfare assumes that the presence of a firm deadline will induce many recipients to leave welfare earlier, but it is difficult to predict the magnitude of this effect. The answer depends on the extent to which long-term welfare receipt is attributable to recipients' behavior, as opposed to the nature of the opportunities available to them – a long-standing topic of debate.

States that are testing time-limited welfare cannot afford to wait and see how much the limits will change recipients' behavior. Thus, as discussed below, the three states featured in this study have developed a wide variety of strategies to supplement, reinforce, and shape the time limits to maximize the chances of achieving the multiple goals for reform described above. The design and implementation of these policies in the short term may determine whether time limits will succeed in the long term.

The State Policies: A Complex and Varied Response

Florida, Vermont, and Wisconsin are three of the first states to receive federal waivers to implement time-limited welfare programs. The Florida and Vermont programs began operating in 1994, and the Wisconsin program began in early 1995.

The popular phrase "two years and out" does not come close to capturing the complexity of the time-limit policies that have emerged in these three states. First, it is apparent that there is no single definition of a time limit. The states' models demonstrate that this broad umbrella term covers fundamentally different visions.

Second, despite the dramatic differences in their approaches, all three states have sought to build flexibility into their time-limit policies to reflect the diversity of the AFDC caseload, and all three have

[2]As of this writing, the U.S. House of Representatives and the U.S. Senate have both passed welfare bills that would impose a five-year limit on federally funded cash assistance; states would be permitted to impose shorter limits.

chosen to embed the time limits in a broader set of policies designed to encourage, assist, and induce AFDC recipients to find jobs.

Finally, none of the states is implementing time-limited welfare in a large urban area. Florida and Wisconsin are each testing their program in two small-to-medium sized counties.[3] Vermont's program operates statewide, but there are no large urban areas in the state.

The roots of the states' policies can be traced to the public desire for welfare reforms that reduce dependency while supporting children and controlling costs. These contradictory goals shaped the policy choices made by elected officials and welfare administrators as they adapted the broad concept of time-limited welfare to reflect real-life circumstances in each state.

It is important to note, however, that the three programs were developed in the context of the current AFDC and JOBS programs, which are governed in part by federal rules and supported by separate streams of federal matching funds. Legislation now being debated in Congress would eliminate the existing matching structure, fold AFDC and JOBS into a single block grant to states, and give states much greater flexibility in designing welfare programs. If enacted, these changes might affect the design of these programs or the availability of resources to implement them. Time-limit initiatives in other states could also look much different if current federal proposals become law.

The State Models

The sharp differences among the three states' visions are best illustrated by their policies for people who reach the time limits (for more details, see Table 1):[4]

- In Florida's Family Transition Program, cash benefits will be terminated at the time limit. The state, however, will provide a public or private work opportunity to recipients who cooperate with program requirements but are unable to find a job despite diligent efforts.

- In Vermont's Welfare Restructuring Project, the time limit signals the imposition of a work requirement. At that point, recipients will have to work either part- or full-time, depending on the age of their children and whether they are part of a single- or two-parent family. The state will provide a community service job to those who cannot find work on their own, and recipients will continue to be eligible for partial AFDC grants if their income from employment is too low.

- In Wisconsin's Work Not Welfare Program, AFDC benefits will be terminated at the time limit. Although recipients are subject to a work requirement before the time limit, those who reach the limit without finding work will not be provided with government-subsidized jobs (they may receive various forms of

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[3]The state of Florida has recently announced plans to expand its time-limit program to six additional counties. The governor of Wisconsin has announced a plan to replace AFDC statewide with a new program that builds, in part, on the time-limit demonstration.

[4]In Vermont, the time limit is 15 months for two-parent families and 30 months for single-parent families. In Florida, most recipients are limited to 24 months of receipt in a 60-month period; certain disadvantaged groups may receive 36 months of benefits in a 72-month period. Wisconsin's limit is 24 months in a 48-month period for all recipients.

Table 1

Time-Limited Welfare: Key Features of the Florida, Vermont, and Wisconsin Programs

Feature	Florida Family Transition Program	Vermont Welfare Restructuring Project	Wisconsin Work Not Welfare
Length of the time limit	24 months in a 60-month period for most recipients.	30 months for single-parent families.	24 months in a 48-month period for all recipients.
	36 months in a 72-month period for specific disadvantaged groups.	15 months for two-parent families.	
Consequences of reaching the time limit	AFDC benefits end.	Recipients are required to work; state provides community service jobs when necessary. AFDC eligibility continues.	AFDC benefits end.
		Recipients who fail to comply with the work requirement are placed in "money management"; the state takes over responsibility for their grant. Recipients who fail to comply with money management reporting requirements may have their grants canceled.	
Policies for extensions and exemptions from the time limit	Certain categories of recipients are exempt from the time limit (e.g., over age 62, disabled or incapacitated, caring for a disabled relative).	Certain categories of recipients are exempt from the work requirement (e.g., age 60 or over, disabled or incapacitated, caring for a disabled relative).	Certain categories of recipients are exempt from the time limit (e.g., over age 60, disabled or incapacitated, caring for a disabled relative).
	Time limits are suspended during periods of high unemployment.	Work requirement may be temporarily postponed to allow for completion of certain education programs.	Extensions may be granted on a case-by-case basis with approval of state manager under certain conditions (e.g., recipient disabled, has significant limitations to employment, or local labor market conditions preclude a reasonable job opportunity).
	Review Panel of community representatives may recommend individual extensions under certain conditions.	Required work hours may be reduced for recipients making satisfactory progress in an education program.	

(continued)

Table 1 (continued)

Feature	Florida Family Transition Program	Vermont Welfare Restructuring Project	Wisconsin Work Not Welfare
State policies for recipients whose benefits are terminated	State will provide work opportunities for recipients who are unable to find jobs despite diligent efforts.	Former recipients are eligible for non-cash benefits, such as food stamps.[a]	Family may receive Vender Shelter Payments if children are threatened with homelessness.
	Child's portion of AFDC grant is retained if complete termination is likely to result in the child being placed in emergency shelter or foster care.		Children's Services Network offers referrals for services that provide food, clothing, medical attention, etc.
	Former recipients are eligible for non-cash benefits, such as food stamps.[a]		Former recipients are eligible for non-cash benefits, such as food stamps.[a]

Note: [a]Individuals who are disabled may receive benefits through the Supplemental Security Income (SSI) program if they meet that program's eligibility criteria.

non-cash assistance, such as help from a Children's Services Network, and, if necessary, vendor shelter payments to prevent homelessness of children).

Interviews with senior state administrators and elected officials (including two of the three governors) indicate that these models were shaped by a number of factors, including different goals, values, and assumptions about the AFDC caseload; state politics; and the federal waiver process.

For example, Vermont's program reflects an attempt to balance several competing goals. While their primary objective was to increase work among welfare recipients, which was seen as vital to bringing AFDC in line with community values, state officials also wanted to allow single parents with young children to balance "provider" and "nurturer" roles by working part time. This led to a policy that imposes a work requirement but allows certain recipients to combine work and partial welfare grants indefinitely: This was seen as acceptable as long as welfare "supplemented rather than supplanted" work. Similarly, while officials wanted to encourage unsubsidized employment, they also saw a need to provide community service jobs to recipients who could not find work on their own. They wanted to maintain the safety net function of AFDC for those who are hindered by the economic conditions and personal barriers that may make self-sufficiency impossible in some cases.

In contrast, Wisconsin officials identified reducing long-term welfare receipt as their primary goal; they saw long-term AFDC receipt as damaging to recipients and their children. This goal, coupled with a broad definition of the term *dependency* – they described subsidized jobs as "welfare under another name" – resulted in a policy that will not allow recipients to combine work and welfare indefinitely and that will not provide subsidized jobs to recipients who reach the time limit. Wisconsin officials also had somewhat different expectations about the AFDC caseload, believing that few recipients in the pilot counties would reach the time limit without finding work.

Florida's "hybrid" model reflects a compromise forged in the state legislature. It was also influenced to some degree by the federal waiver process; the state's original proposal did not mention the provision of work opportunities after the time limit – this was required by the federal government but was considered by state officials to be consistent with their intentions. State officials described their time-limit model as an attempt to promote self-sufficiency and reduce long-term welfare receipt, while, at the same time, continuing to support parents who "play by the rules" but are unable to find jobs on their own.

Responding to Caseload Diversity: Exceptions to the Time Limit

Faced with diverse welfare caseloads and complex public expectations, all three states have attempted to build flexibility into their time-limit policies. This requires a difficult balancing act. In part, the strength of time-limited welfare, and its potential ability to change behavior, lies in its uniformity and consistency of application. At the same time, state officials understand that not all AFDC recipients can be expected to achieve self-sufficiency before reaching the limits. Thus, they have sought to build in flexibility without creating the impression of loopholes that will weaken the ability of the time limits to change behavior. In effect, all three states are attempting to maximize the impact of the time limit while preserving their ability to support some recipients who are unable to work.

As shown in Table 1, many of their attempts to do this are similar: For example, none of them have established a lifetime limit on AFDC receipt (e.g., Wisconsin allows 24 months of receipt within a 48-month period), and two of the three have created different time limits for different subsets of the

AFDC population (e.g., Vermont's time limit is longer for single-parent families than for two-parent families).

In addition, all three states have developed exemption and extension policies. They allow a relatively limited set of up-front exemptions from the time-limit "clock" – for example, for recipients who are disabled or elderly and, in some circumstances, parents who are caring for very young children. Limiting the number of up-front exemptions reduces the need to predict in advance how recipients will fare based on their characteristics or history when the enter the program. In addition, by subjecting a fairly broad share of the AFDC caseload to the time limits initially, the states' exemption policies may maximize the ability of the time limit to stimulate increased job-taking and welfare exits by recipients before they reach the "cliff."

The extension policies are meant to act as a safety valve. While all three states expect extensions to be rare, all have designed policies that can delay the imposition of the time limit in certain circumstances. Florida's and Wisconsin's policies allow substantial case-by-case discretion in granting extensions, while Vermont has chosen to spell out its extension criteria in considerable detail.

Both approaches have potential advantages and risks. It is difficult to design rules that will apply in all cases, so allowing for some discretion may provide a safeguard in situations that are difficult to pigeonhole. In addition, defining extensions in detail may increase the probability that recipients will try to fit into one of the categories rather than focusing on getting a job or getting off welfare. On the other hand, too much discretion makes it more likely that the extension rules will be applied inconsistently. Florida and Wisconsin have instituted formal review procedures to address this issue but, ultimately, local and state staff will have to make difficult case-by-case judgments that could have serious repercussions. It is not clear how these policies will be implemented when recipients begin to reach the limits.

Necessary But Not Sufficient: Policies That Accompany Time Limits

Administrators in all three states strongly believe that time limits will dramatically alter the behavior of welfare recipients and the welfare system. At the same time, however, none of the states is relying on the time limits alone to generate the necessary behavioral changes. As indicated in Table 2, all three have embedded the time limits in a broader set of incentives, mandates, and services designed to promote work, and all three are attempting to transform the day-to-day message transmitted by the welfare bureaucracy. The key supplementary strategies include:

- **Financial incentives.** All three states have changed the rules for determining AFDC eligibility and calculating benefits to reduce the current disincentives to work, save, marry, and pay child support. For example, to reward work, they have enhanced and/or simplified the rules for the amount of earnings to be disregarded when calculating the AFDC grant.

- **Mandates.** The three states have also imposed new requirements to encourage behavior that they believe will promote self-sufficiency. For example, they have expanded the number of recipients who are required to participate in JOBS employment-related activities. In addition, Florida and Wisconsin require recipients to ensure that their children are attending school regularly, Florida requires recipients to provide proof that their children have been immunized, and Vermont requires teen parents to live at home or in an approved setting.

Table 2

Time-Limited Welfare: Key Incentives, Mandates, and Services Implemented in Conjunction with the Time Limit in Florida, Vermont, and Wisconsin

	Florida Family Transition Program	Vermont Welfare Restructuring Project	Wisconsin Work Not Welfare
Incentives	Expanded and extended disregard of earned income ($200 plus one-half of remaining earnings).	Expanded and extended disregard of earned income ($150 plus one-quarter of remaining earnings).	Extended disregard of earned income.[a]
	Recipients permitted to accumulate more assets and own more valuable cars.	Recipients permitted to accumulate more assets and own more valuable cars.	Restrictions on eligibility for two-parent families are reduced.
	Restrictions on eligibility for two-parent families are eliminated.	Restrictions on eligibility for two-parent families are eliminated.	Child support paid directly to the AFDC family.
		Child support paid directly to the AFDC family.	Food stamps are "cashed out" and provided, along with AFDC, in a single grant.
			Family cap provision denies benefits for children conceived while their mothers receive AFDC.
Mandates	Narrower exemptions from JOBS participation mandate.	Two-parent cases required to participate in JOBS. Single-parent cases required to participate beginning two months before reaching time limit.	Narrower exemptions from JOBS participation mandate; recipients required to earn their benefits through participation in education, training, or work.
	Recipients required to speak with school officials, ensure that children are attending school regularly, and prove that preschool children have necessary immunizations.[b]	Minor parents required to live at home or in an approved setting.	Learnfare program requires teenagers in families receiving AFDC to attend school.[c]

(continued)

Table 2 (continued)

	Florida Family Transition Program	Vermont Welfare Restructuring Project	Wisconsin Work Not Welfare
Services	Expanded funding for JOBS and support services (e.g., child care) for JOBS participants.	Expanded funding for JOBS and support services (e.g., child care) for JOBS participants.	Expanded funding for JOBS and support services (e.g., child care) for JOBS participants.
	Transitional child care extended from 12 to 24 months.	Transitional Medicaid extended from 12 to 36 months.	Enhanced case management services, including social services for "at-risk" families.
	Continued education and training for participants who have found jobs and gotten off welfare.	Transitional child care available as long as income remains below state median.	
	Enhanced case management services.		

Notes: [a]Wisconsin did not expand the amount of earnings disregarded.
[b]The immunization mandate applies to AFDC applicants.
[c]Learnfare is a statewide program implemented in 1987; if teenagers do not attend school, their family's grant may be reduced.

- **Services.** All three states have also expanded services for recipients subject to the time limit. The key services include JOBS education, training, job search, and work activities; enhanced case management; child care and transportation assistance while recipients prepare for work; extended transitional child care and medical coverage for recipients who leave welfare for work; and a variety of social services.

Almost all of these incentives, mandates, and services are costly. Thus, each of the time-limit programs is expected to incur significant net costs, at least in the early years of implementation. The states are prepared to make this up-front investment, both because they see these components as critical to the success of their programs, and because the time limits are expected to generate savings later.

The Operational Reality of Time-Limited Welfare

The fate of time-limited welfare, like past welfare reforms, will be determined in local welfare offices. Although the potential impacts of time limits are unknown, the new programs are unlikely to achieve their desired effects unless welfare workers can clearly explain the new rules to recipients, make a convincing case that the time limit is real, and accurately monitor recipients' "clocks." Moreover, local welfare offices are the vehicle for implementing the policies states have formulated to move recipients into jobs before they reach the limits. In the short term, it is these supplementary policies — rather than the time limits per se — that present the major operational challenges. Most of these work-focused policies are not unique to these three time-limit programs; they have also been implemented in these and other states in the absence of time limits. But time limits "raise the ante." With the clock ticking, state and local staff are under serious pressure to make their employment-focused policies work smoothly and quickly.

The early implementation experiences in Florida, Vermont, and Wisconsin can provide some lessons about the "street level" reality of time-limited welfare:

- **It is important for programs to hit the ground running, but implementing time limits and related reforms too quickly, without adequate time for planning, can pose significant risks both for recipients and for the credibility of the programs.**

Start-up problems, which are inevitable in complex programs, take on special significance in the context of a time limit, when recipients' clocks are ticking. Valuable time elapses during each delay. The three states attempted to minimize the scope and consequences of start-up problems by allowing adequate pre-operational planning periods, delaying the implementation of components that did not need to be in place initially, controlling the flow of participants into the programs, and creating mechanisms to quickly identify and respond to problems.

In some cases, however, political pressures or other factors may force localities to start their programs before all the necessary pieces are in place. This occurred in one of the pilot sites, and staff reported that the resulting problems damaged the program's credibility and hindered their ability to persuade recipients that the program was not business as usual.

- **Communicating the new program rules to recipients can be difficult, especially when a number of far-reaching changes are implemented simultaneously. It may be critical to continually repeat and reinforce the new policies.**

Recipients must understand the time limits and other related components if these policies are to have their desired impact. Many obstacles to clear comprehension stand in the way. First, the states' programs are complicated, involving multiple changes that do not necessarily fit together neatly. Second, staff report that many recipients do not believe that time limits will be imposed or see them as being too far in the future to matter in the short term. Third, given the intensity of national and state welfare reform debates, recipients are quite likely to obtain incorrect information through the grapevine or the media. Fourth, while staff in all three states appear to support the reforms in general, many workers have expressed doubts or skepticism about specific elements of the policies; these concerns may affect their presentations to recipients.

Small-scale telephone surveys conducted in Florida and Vermont suggest that recipients understand the broad messages about time limits and other policies, but not the details. For example, many respondents did not know the exact length of their time limit and could not accurately describe what would happen if they reached it. In response to a special set of questions asked of recipients in Florida, a large proportion said the time limits make them more likely to work, look for work, or get education or training. Nevertheless, a substantial fraction also said they do not expect to find a job before reaching the time limit, and an even larger proportion expressed serious concern about their ability to support their families after the time limit.

- **As part of their time-limit programs, the states are seeking to change the overall message and mission of the welfare system from income support to self-sufficiency. This is a difficult task that may involve broad changes in the attitudes and day-to-day activities of line staff.**

Time limits are obviously intended to change recipients' behavior. However, administrators in all three states see a need for equally profound changes in the welfare system itself – they want it to focus more on self-sufficiency and less on income support in its day-to-day interactions with recipients. Officials see a close link between this change in message and the time limits. On the one hand, they see a persistent self-sufficiency-oriented message as a critical tool for reinforcing the time limits. On the other hand, they see the time limit as a tool for stimulating change within the welfare bureaucracy. Nevertheless, it is important to note that many of the changes the states are making to transform the welfare system can, and have, been implemented in these and other states in the absence of time limits.

Several mutually reinforcing strategies have been used to try to change the welfare message. First, the "front door" of the welfare system has been redesigned to alter the initial "pitch" heard by welfare applicants. Wisconsin has made particularly dramatic changes in this area: Staff market alternatives to cash welfare (for example, child support, food stamps, and work) in an effort to divert people from starting to receive cash payments.

Second, states have revised staffing patterns and responsibilities to forge a tighter link between eligibility and self-sufficiency activities. Normally, welfare eligibility workers – the primary point of contact between recipients and the system – are concerned primarily with issuing timely and accurate grants, and have limited contact with staff in other programs, such as JOBS and child support enforcement, that focus on helping recipients obtain non-welfare income. Florida has reduced the

caseloads and expanded the roles of some eligibility workers to include broader case management duties, a change Vermont is planning to implement as well. In addition, both Florida and Wisconsin have placed eligibility workers in teams with JOBS, child support, child care, or other workers to promote closer collaboration. In some cases, the states have brought many services or staff into close physical proximity to facilitate teamwork.

The success of these efforts will depend on the extent to which eligibility staff are comfortable with their new roles and whether they can balance the new focus with their ongoing responsibility for processing eligibility and controlling errors. This, in turn, may depend on the ability of local and state administrators to provide resources to keep caseloads manageable, provide ongoing training for staff, and operate reliable, user-friendly management information systems.

- **Each state has expanded its JOBS program and is trying to strengthen the program's employment focus to bring it in line with the time limits.**

The JOBS program plays a central role in all three states' time-limit programs by helping recipients prepare for and find jobs.[5] All three states have expanded funding for JOBS in the areas where the time-limit programs are operating. In addition to making the program larger, the states have found that they need to strengthen JOBS and change the way it operates. Most important, in the context of a time limit, JOBS must be geared toward moving participants into employment before the limits; many current JOBS programs do not place much emphasis on linking participants with jobs.

The task of reorienting JOBS has been defined differently in each state. Wisconsin is attempting a drastic overhaul of the program that would greatly reduce the focus on lengthy education and training activities and institute a pay-for-performance system that requires recipients to "earn" their grants through JOBS participation. In Vermont, in contrast, JOBS remains voluntary for single parents and retains its strong commitment to post-secondary education and intensive case management. Administrators there, however, are attempting to focus more attention and resources on helping participants move into unsubsidized jobs before the time limit. In Florida, administrators have sought to maintain a balance between activities geared toward immediate employment and longer-term education and training programs, but have found it necessary to strengthen and reorient both types of services.

The states have taken a number of concrete steps to change JOBS. For example, all three have changed some of the procedures for assigning participants to JOBS activities; added or strengthened job search, job placement, and work experience programs; and restructured some education and training programs to fit the time-limit schedule. However, these changes have not always come about easily. JOBS programs are not necessarily run by the same staff who designed the time-limit models, and JOBS services are typically provided by decentralized networks of subcontractors. In some cases, JOBS programs have been slow to adapt to the new environment, in part because staff and subcontractors have not always understood or shared the goals of the reforms.

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[5]The term *JOBS* is used to refer to welfare-to-work services that are now funded, in part, through the federal JOBS program. Current federal proposals would eliminate the separate stream of funding for JOBS, folding it into a block grant that would also cover cash assistance. However, states might still choose to provide these services.

- **Time-limited welfare places heavy demands on management information systems. Limitations in these systems can hinder the implementation of many program components.**

The quality of management information systems can have far-reaching implications for the operation of a time-limit program. If data on recipients' time-limit clocks are not easily accessible or are incorrect, staff may be unable to remind them how many months they have left, or staff may not be able to impose the limit. Moreover, strong data systems are critical to implementing the supplementary policies designed to help recipients find jobs before reaching the limits. For example, without timely information on recipients' participation in JOBS activities, staff may be unable to respond quickly when problems develop; in the meantime, valuable time may tick off the time-limit clock. Finally, if data systems are not user-friendly, staff will be burdened with paperwork and will have less time to help recipients plan and implement a route off welfare.

Although each of the states has a statewide welfare computer system, these systems are limited in many respects and none was equipped initially to handle the demands imposed by time-limited welfare. The states have faced major technical challenges in adapting their systems to track the time limit – computer programs must reflect complex state policies and dynamic patterns of welfare receipt – and implement new welfare eligibility rules. Thus, data-related issues have consumed large amounts of time and energy in all states in the early implementation period. In Florida and Wisconsin, automated data systems for the time-limit programs were not in place when the programs began operating. Vermont was able to make the necessary changes before enrolling participants and is now addressing the difficult task of creating a payroll system for participants in post-time-limit community service jobs.

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As this discussion suggests, time-limited welfare, as designed and implemented by the three states featured in this study, is neither easy nor cheap. It involves difficult policy choices and demanding implementation tasks. And the three states have only begun to prepare for the post-time-limit period, which could require large-scale work programs and place increased demands on other social welfare systems (future reports in this study will examine these topics). In addition, all three states are making substantial up-front investments in services, staff, and financial incentives to supplement the time limits. These complementary policies are seen as essential to the success of time-limited welfare. Thus, while the states expect their time-limit programs to save money or at least be cost-neutral in the long term, all three are incurring relatively large net costs in the early years. Of course, is it too early to tell whether the states' ambitious policies will work, whether many recipients will reach the time limits, and what will happen to those who do not. Future reports in this series will continue to track the states' experiences over time.

The fact that time-limited welfare is considerably more complicated in practice than in theory should not be surprising. The simple idea of a time limit has been shaped in policy and implementation at the state and local levels by a complex set of factors: characteristics of AFDC recipients, state politics, economic conditions, the difficulties of changing large organizations, and, most important, the public's desire for welfare policies that simultaneously reduce dependency, support children, and control costs. State administrators and elected officials, who must design real programs for real systems, and local administrators and line staff, who must implement these programs for real families in their communities, are held accountable for the consequences of their policy choices and implementation strategies. They cannot afford to ignore these realities.

Introduction

Time-limited welfare has emerged in the nineties as a dramatic new approach to welfare reform. Although time limits are defined in various ways, the notion that cash assistance for all or most families should either be cut off entirely at a certain point or provided only if recipients are working is now accepted by many federal and state policymakers and program administrators. Little is known, however, about either the short- or long-term challenges posed by this policy approach.

The Cross-State Study of Time-Limited Welfare is designed to begin to fill this knowledge gap. It is being developed and conducted by the Manpower Demonstration Research Corporation (MDRC) and is funded by the Annie E. Casey Foundation, the Ford Foundation, the Joyce Foundation, and the Charles Stewart Mott Foundation. The study is examining the implementation of several of the earliest state-initiated programs that seek to impose a time limit on the receipt of Aid to Families with Dependent Children (AFDC), the nation's primary cash welfare program for non-disabled parents and their children. The states of Florida, Vermont, and Wisconsin have agreed to participate in the study; other states may be added later.

A complete assessment of the feasibility, impacts, and net cost of time-limited welfare will take years to complete; the state time-limit programs are fairly new, and no recipients have yet reached the limits. In an attempt to draw lessons from the early experiences of the participating states and to identify the key challenges and opportunities associated with implementing a time-limit policy, the Cross-State Study addresses the following questions:

- What are the main goals of the states' time-limited welfare programs, and how are the programs being designed to meet those goals?
- How are welfare agencies organizing to manage and implement the time-limit programs?
- How are the activities of welfare and employment agency staff changing as a result of time-limited welfare, and how do these staff view the new policies?
- How are time limits affecting other major policies, such as employment services, work programs, and financial incentives?
- What messages are being communicated to recipients about time limits? How well do they understand the new rules, and how do they respond?
- How are states preparing for the time when recipients begin reaching their time limits? What safeguards, if any, are being put in place to protect children in families that reach the time limits?
- How many recipients will reach the time limits, and who are they? What will happen when they get there and immediately afterward?

The time frame for the Cross-State Study – early 1995 through early 1997 – may permit only a glimpse at what happens after recipients reach the time limits. However, MDRC is also conducting

full-scale, long-term evaluations of the time-limit programs in Florida and Vermont (6 years and 10 years, respectively). These studies will provide additional information about the impact of time-limited welfare on families and welfare caseloads.[1]

About This Report

Over the next two years, MDRC plans to issue a series of short reports as part of the Cross-State Study. These reports will cover specific issues that are emerging in the participating states; they may address client and staff perspectives on time-limited welfare, the patterns of participation in employment and training activities, the design and implementation of work programs, the implementation of time-limit extension policies, early information on the impact of time limits on AFDC receipt patterns, and other topics.

This report, the first in the series, sets the stage by examining time-limited welfare through a progressively sharper lens. Part I begins at the broadest level, tracing the rapid emergence of time-limited welfare as a policy approach. Part II – comprising Chapters 2 and 3 – begins to focus on the three participating states, describing the goals, evolution, and planning of the states' policies. Part III, comprising Chapters 4, 5, and 6, moves from the state level to the local level, where the challenges of operating time-limited welfare programs are actually being faced.

A variety of data sources inform this report: field visits to the local time-limit programs; interviews with senior state officials (including the governors of Vermont and Wisconsin), local managers, and line staff; small-scale telephone surveys of welfare recipients in Florida and Vermont; and the separate, full-scale studies in Florida and Vermont from which initial data on the demographics and attitudes of welfare recipients were collected. Because Florida and Vermont are part of those larger studies and their programs began earlier, more data are available for them than for Wisconsin.

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[1]In the full-scale Florida study, eligible clients are assigned at random to either a program group, which is subject to the time limit and other changes in welfare eligibility rules and program services, or to a control group, which is subject to regular welfare rules. In the Vermont evaluation, recipients are randomly assigned to one of three groups: the two described above or a third that is not subject to the time limit but is subject to the other changes in welfare eligibility rules. In both states, the groups will be followed for several years and relevant outcomes will be compared. The random assignment design ensures that any differences that emerge during the follow-up period can be attributed to the programs. Wisconsin's program is being evaluated by MAXIMUS using a different methodology.

Part I:

Background

Chapter 1

Breaking with the Past? The Emergence of Time-Limited Welfare

In a short span of time — three to four years — time-limited welfare has grown from an abstract idea discussed largely in academic circles to concrete proposals on the brink of becoming national policy. Although the time-limit approach has been widely and heatedly debated in the press and the political arena, few attempts have been made to look systematically at its origins or implications. In fact, many of the basic terms associated with time-limited welfare are not well understood. Before turning to the three state time-limit programs that are the subjects of this report, this chapter briefly examines the history of time-limited welfare and the key challenges posed by this policy.

What Is Time-Limited Welfare?

The Aid to Families with Dependent Children (AFDC) program (originally called Aid to Dependent Children, or ADC) was created as a part of the Social Security Act of 1935 to provide cash assistance to needy children who had been deprived of the support of one of their parents — at the time, mostly children living with widowed mothers. Although the act's authors envisioned that the AFDC program would not need to be permanent, assuming that widows and their children would generally be covered by social security survivors' insurance once that program was fully operational, they placed no limit on the length of time an individual dependent child could receive benefits. This policy was consistent with the program's original purpose: to allow single mothers to stay home to raise their children.

In 1950, AFDC was expanded to cover one relative of the dependent child — typically the single mother — but eligibility was still tied to the presence of a child in the home, as it is today. Thus, assistance *for adults* has always been time-limited in the sense that eligibility ends when the youngest child in the family "ages out" (i.e., is no longer dependent).[1] But, within this parameter, there is no time limit; assistance is provided as long as the family meets the eligibility criteria.[2]

The non-time-limited nature of AFDC does not mean that assistance has been provided "with no strings attached." Recipients have always been required to comply with specific eligibility and reporting requirements. Moreover, during the past 25 years, welfare reform policies have required a growing share of AFDC recipients to work or prepare for work by participating in education, training, or job search activities. Recipients who fail to meet these work-related requirements can face "sanctions" (i.e., grant reductions).[3]

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[1]Eligibility for AFDC ends on the dependent's 18th birthday or, at state option, on the 19th birthday if the dependent is a full-time student.

[2]An exception is the AFDC-Unemployed Parent (UP) program, which provides assistance to needy two-parent families in which one parent is unemployed. States were given the option to operate AFDC-UP programs in 1962 and were required to operate them beginning in 1990. States that had not operated an AFDC-UP program before then were allowed to limit eligibility to six months per year. Thirteen states have imposed such a time limit.

[3]Under current law, sanctions are imposed by removing the adult who failed to participate from the family's grant calculation; this results in a lower benefit amount.

Given this history, time limits clearly can represent a fundamental change in the nature of AFDC. However, the term *time limit* has been defined in more than one way, and the extent of the change varies depending on the approach. Most of the time-limit proposals that have emerged to date fall into one of two broad conceptual categories:

- **Work-trigger models.** Under these models, parents who receive AFDC for more than a specific amount of time are required to work, and the government provides some type of subsidized job indefinitely to people who cannot find work on their own.

- **Benefit termination models.** Under these models, the time limit signals the point at which AFDC benefits are terminated. Although there may be work requirements for recipients before the time limit, the government does not provide jobs to recipients after their benefits end.

Both of these approaches are quite different from the current welfare system in that they seek to limit the amount of time parents can receive cash payments without working. However, there are important distinctions between them.

Work-trigger models preserve some elements of the permanent, safety net quality of AFDC while dramatically altering the type of public support that is provided. After the time limit, parents may be restricted from receiving cash payments without working; however, the government ensures that people who cannot find jobs on their own will have an opportunity to work. These models may withdraw support altogether under certain circumstances — generally in response to noncooperation with program mandates — but parents who work can usually receive some type of support indefinitely (as long as they meet the eligibility criteria). Work-trigger models can be seen as a significant expansion of the well-known workfare approach: After a specific number of months of training, education, or job search help, recipients are required to work if they are to receive further assistance. Work requirements for AFDC recipients have been discussed for many years, but these mandates have not been broadly enforced.

The benefit termination models diverge more sharply from current and past policies. Although this approach also seeks to stimulate work by limiting the availability of welfare payments, it does not necessarily ensure that parents will have a job after the time limit. All recipients eventually reach a point where they receive no further assistance, either in the form of AFDC payments or subsidized work opportunities.[4]

Later chapters will illustrate that the design and implementation of real time-limit programs is considerably more complex than these simple descriptions imply; some of the sharp contrasts between them begin to blur in practice, and some programs do not fit neatly into either category. Nevertheless, the core distinction is important in understanding the challenges and implications of each approach.

How Did We Get Here?

It is striking how quickly the idea of time-limiting AFDC receipt has come to dominate the mainstream vision of welfare reform, given that it is both a new and an untested policy. While time

[4]Other forms of assistance, such as food stamps or Medicaid, may continue after the time limit.

limits have some precedent in other income transfer programs, they have never been applied to single-parent households with children, which account for the vast majority of families receiving AFDC.[5] In fact, just three to four years ago, the notion of placing a time limit on AFDC receipt was rarely discussed in state and federal welfare policy circles.

Today, time limits are included in almost every major federal welfare reform proposal. In 1994, the Clinton administration's Work and Responsibility Act proposed that AFDC recipients be required to work after two years of welfare receipt; several earlier proposals put forward in 1993 by members of Congress from both parties also included time limits. Congress never voted on the Clinton bill, but in 1995 both the House of Representatives and the Senate have passed welfare bills that include five-year time limits on federally funded cash assistance. In both proposals, states would have the option to end benefits earlier. As of this writing, federal welfare reform legislation is still being debated, but if legislation is enacted, it is likely to include some type of time-limit provision. Meanwhile, at least 24 states have requested federal waivers to test welfare reform strategies that include various forms of time limits.[6]

In one sense, time-limited welfare can be seen as an outgrowth of Americans' long-standing discomfort with providing cash assistance to able-bodied adults. One could argue that maintaining the non-time-limited nature of AFDC assistance was politically acceptable only when the program remained relatively small and mothers were not widely expected to work outside the home. As mothers — both married and single — entered the labor force in large numbers and the AFDC caseload expanded and shifted to include a growing number of mothers who had never been married, public perceptions of the program changed and the notion of providing cash assistance indefinitely lost favor.[7] Since at least the 1960s, AFDC policies have been designed to encourage, help, or force at least some welfare recipients to work or find jobs and leave the rolls.[8] Thus, time limits could be seen as a consistent step in a series of progressively tougher measures to make welfare more transitional and temporary.

In a more concrete sense, however, time limits — particularly benefit termination models — and their speedy and widespread acceptance in political circles, represent a notable break with the past. Prior welfare reform efforts have usually proceeded with caution. For example, the last major federal welfare reform bill, the Family Support Act (FSA) of 1988, and its centerpiece, the Job Opportunities and Basic Skills Training (JOBS) Program (which funds mandatory state employment and training programs for AFDC recipients), emerged from a considered assessment of the successes and failures of earlier reform efforts at the state level. While it established important new directions, FSA's overall approach was grounded in the mandatory employment and training strategy featured in earlier programs. In contrast, time-limited welfare emerged in national policy debates — and was proposed as national policy — before it had been tested in any state.

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[5]As noted earlier, some states have the option to impose time limits on the AFDC-UP program for two-parent families. Similarly, a number of state or locally funded general assistance programs for adults without dependent children are time-limited; most commonly, eligibility is limited to part of the year.

[6]Savner and Greenberg, 1995. This report notes that the majority of time-limit waivers requested by May 1995 corresponded to the work-trigger approach described earlier.

[7]More than half the children receiving AFDC live with a mother who has never been married.

[8]In the 1960s, policy changes focused on increasing financial incentives to work. Beginning in the early 1970s, policies began to require some recipients to register for or participate in work-preparation activities.

The historic preference for incremental reform strategies can be explained in part by the American public's complex, often contradictory expectations of the welfare system, and by our imperfect understanding of the causes of long-term welfare receipt. The public strongly opposes welfare dependency by able-bodied adults and is willing to support tough measures to help or, if necessary, force those recipients to go to work. At the same time, however, the welfare system is expected to act as a safety net, protecting children from extreme poverty and keeping families together. This concern, along with uncertainty about the extent to which labor market conditions and recipients' physical and psychological problems — as opposed to lack of effort — account for welfare dependency, has mitigated the severity of penalties for those who fail to comply with work-related mandates. Finally, a desire to restrain spending on social welfare programs has limited investments in training, job placement, and work programs. In the very short term at least, these services are more expensive than simply issuing monthly welfare checks. Consequently, work-related mandates have applied to only a fraction of the welfare caseload.

The public has consistently demanded that welfare reform reflect all of these concerns, which has led to incremental reform measures based on the notion of mutual responsibility: Government provides income support and services designed to promote employment, and recipients, in turn, are required to work or prepare for work. These reforms have sought to make AFDC more transitional while maintaining the program's role as part of a safety net and keeping costs relatively low. This complex balancing act may help to explain why time limits — a seemingly simple and straightforward approach to the popular goal of ending long-term welfare receipt — have not received serious consideration until recently.

The rapid emergence of time-limited welfare may be related to several developments that occurred in the 1990s:

- President Clinton promised during his 1992 campaign to "end welfare as we know it" by requiring AFDC recipients to work after receiving benefits for two years, during which time they could receive education or training. When this Democratic candidate publicly embraced time limits, the center of the reform debate shifted away from incremental approaches; time limits began to receive national attention and recognition as a legitimate, viable welfare policy. In a highly charged political environment — with a growing emphasis on cutting public spending — the debate quickly moved beyond Clinton's vision (essentially a work-trigger approach) to embrace a benefit termination time-limit model.

- The national AFDC caseload rose dramatically in the late 1980s and early 1990s after remaining fairly stable for a 10-year period. From 1989 to 1993, the number of families receiving AFDC increased 32 percent, from less than 3.8 million to nearly 5 million.[9] Although the caseload later began to drop when economic conditions improved, the dramatic increase coincided with the initial implementation of FSA and its JOBS program. Many states, facing severe fiscal problems, did not invest substantial resources in JOBS, and only a small fraction of the AFDC caseload was reached by the program. In addition, many JOBS programs placed a heavy emphasis on basic education and made limited efforts to move participants into jobs. Despite positive evaluation results — which

[9]U.S. House of Representatives, Committee on Ways and Means, 1994.

showed that the strongest JOBS programs can significantly increase recipients' earnings and employment rates and reduce welfare spending[10] — many observers nonetheless criticized JOBS as an insufficient strategy for moving large numbers of recipients off the welfare rolls.

- A growing number of observers began to argue that the welfare system is "broken" and that welfare in and of itself — particularly long-term receipt — leads to negative outcomes for families. This had long been the position of conservatives,[11] but some more liberal voices eventually came to share this view, at least in part.[12] They tended to focus more on the financial disincentives to work in the current system, while conservatives emphasized welfare's contribution to outcomes such as out-of-wedlock births. For both groups, however, time limits became a conceivable policy option, especially in view of the modest success of other approaches designed to reduce long-term dependency.

The Long- and Short-Term Challenges of Time-Limited Welfare

Ultimately, the "success" of time-limited welfare will probably depend on the public's goals and expectations for the welfare system. As noted earlier, past reforms have struggled to achieve a set of conflicting objectives: reducing dependency, supporting children, and keeping costs low.

Some people feel that these objectives may change over time. For example, some contend that taxpayers would be willing to spend more on a public assistance system that focused primarily on work rather than cash assistance; others maintain that the public would be willing to accept policy changes that harmed children in the short term if welfare dependency were greatly reduced in the long term. These views may be correct; the history of AFDC demonstrates that public attitudes are not immutable.

At this point, however, there is no indication that the public's expectations of the welfare system have changed in any significant way.[13] Thus, it seems likely that the central long-term challenge confronting time-limited welfare programs will be to impose a time limit that is real — that actually

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[10]For example, an ongoing national evaluation found that JOBS programs focusing on rapid job entry in three diverse locations generated a 22 percent decline in AFDC payments and a 26 percent increase in recipients' earnings at the end of a two-year follow-up period. See Freedman and Friedlander, 1995.

[11]See, for example, Murray, 1984.

[12]See, for example, Ellwood, 1988.

[13]The public's complex views are reflected in several recent public opinion polls. For example, in a late 1993 poll of registered voters conducted jointly by Democratic and Republican polling firms, 88 percent of the respondents said they thought a strict two-year time limit would hurt many poor children through no fault of their own. When voters were asked whether they preferred a two-year limit followed by a public service work requirement or a strict two-year limit with no work requirement, they chose the former by a large margin (83 percent to 12 percent). See Garin, Molyneux, and Divall, 1993. Similarly, a national poll conducted by Harvard University and the Kaiser Family Foundation in early 1995 asked respondents what they thought the principal goal of welfare reform should be: 63 percent of respondents said it should be to "get people off welfare, but only if we can get them decent jobs by providing job training and education." Only 6 percent said the goal should be to "get people off welfare regardless of the consequences."

reduces or ends long-term dependence — without substantially raising costs or harming children.

The precise nature of this challenge will vary for different time-limit models. Benefit termination models clearly address long-term dependency but may increase the risks of child poverty and raise costs in other areas (e.g., the child welfare system). Work-trigger models, on the other hand, could end up replacing AFDC with a large public jobs program that is more difficult and costly to administer if most recipients are unable to find jobs on their own.[14] Moreover, no one knows precisely what fraction of AFDC recipients are physically or mentally unable to hold a steady job and support their families through work.[15]

In either case, it seems clear that the best way to maximize the odds of success is to minimize the number of recipients who reach the time limit. Fewer people reaching the time limit means a smaller public jobs program (if jobs are provided) and a smaller number of children who experience a dramatic decline in their income (if jobs are not provided). Recent studies suggest, however, that reaching this goal will require dramatic changes in current patterns of welfare receipt. While these studies have consistently found that most people who enter the welfare system leave relatively quickly — one study found that about two-thirds leave within two years — they also find that many of those who leave welfare subsequently return. Thus, nearly 60 percent of those who enter the rolls *eventually* accumulate more than two years of AFDC receipt, and nearly 35 percent accumulate five years of receipt. Moreover, at any one point in time, a large majority of the welfare caseload — perhaps as much as three-fourths — comprises long-term recipients.[16] In short, the studies indicate that a large number of people receive AFDC for more than the number of months permitted under most federal and state time-limit plans.[17]

Of course, the core assumption behind time-limited welfare is that welfare receipt patterns would be much different if recipients, and the welfare system itself, faced a firm deadline. This implies that the underlying explanation for long-term welfare receipt can be found primarily in recipients' behavior, rather than in the nature of the opportunities available to them. This is a long-standing topic of debate, and the available evidence is incomplete. On the one hand, the data show that many welfare recipients have low levels of skills and education, and that workers with less than a college degree (almost all AFDC recipients are in this group) face increasingly difficult labor market

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[14]The cost of a work program depends to some extent on its design. For example, a program that targeted mothers with school-age children, required part-time work, and scheduled work activities during school hours would require relatively little funding for subsidized child care.

[15]The Supplemental Security Income (SSI) program provides cash grants to needy elderly, blind, and disabled people. However, in order to meet SSI's definition of disability, an individual must have a physical or mental impairment that prevents him or her from working and is expected to last at least one year or end in death. Most experts agree that some fraction of AFDC recipients are unable to work steadily but still do not meet the stringent eligibility requirements for SSI.

[16]Pavetti, 1995. A distinction between a point-in-time "snapshot" of the AFDC caseload and a longitudinal analysis of all people entering the system is subtle but important. It can explained by a well-known analogy to a hospital room with two beds (see Bane and Ellwood, 1983). The first bed is occupied by the same patient for one month, while the second bed hosts a different patient each week. An analysis would show that four of the five patients who entered the room during the month (80 percent) had short stays. However, at any point, half the people in the room (one of two) are long stayers.

[17]Precise figures depend on the design of the time limit — for example, its length, and whether it is a lifetime limit or one that allows the "clock" to be reset at some point.

conditions.[18] This may explain why even highly mandatory welfare-to-work programs evaluated to date have not come close to ending long-term welfare receipt.[19] On the other hand, because time limits have never been tested, it is impossible to say with certainty what they will add to this complex equation.

At the state and local levels, where the fate of time-limited welfare will likely be determined, these are more than abstract concerns: The three states featured in this study are designing and implementing programs for real families under a real welfare system. As later chapters will illustrate, the states' policies are considerably more complex than the popular conception of time-limited welfare might suggest. Despite sharp differences in their approaches, all three states have attempted to build flexibility into their time-limit policies to reflect the diversity of the AFDC caseload and the multiple causes of long-term welfare receipt. Moreover, none of the states are relying on the time limit alone to generate the enormous changes in behavior that may be necessary to make this policy succeed; all three have chosen to embed the time limits in a broader set of incentives, services, and mandates designed to help recipients become employed before reaching the limits.

Designing and implementing these components, and making fundamental changes in the nature of welfare recipients' day-to-day interactions with the welfare system, constitute the key short-term challenges discussed in this report. More time must pass to evaluate whether these components, coupled with the time limits, will stimulate the kinds of changes necessary to meet the long-term challenges described above.

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[18]For example, Burtless, 1994, found that more than 70 percent of 25-year-olds who received AFDC throughout the prior year scored in the bottom 25 percent of people in their age group who took the Armed Forces Qualifying Test.

[19]For example, the Greater Avenues for Independence (GAIN) Program in Riverside, California, one of the most effective welfare-to-work programs that has been rigorously evaluated, reduced the proportion of recipients who received AFDC for at least two years within a four-year follow-up period from 56 percent to 48 percent (unpublished data from MDRC's evaluation of GAIN). It is also important to note that, given resource constraints and legal exemptions, even broad-coverage, highly mandatory JOBS programs often do not serve a large proportion of the total AFDC caseload.

Part II:
State Policies

Chapter 2

The Context for Time-Limited Welfare in the Three States

Part II, comprising Chapters 2 and 3, examines the design of the time-limited welfare programs in Florida, Vermont, and Wisconsin. This chapter briefly examines the roots of the three programs, the characteristics of the locations where the programs are operating, and the attitudes and characteristics of the welfare recipients who are subject to the programs. These contextual factors have helped to shape the policies that will be discussed in Chapter 3 and implementation experiences that will be examined in Part III of this report.

A Brief History of Time-Limited Welfare in Florida, Vermont, and Wisconsin

As the sketches below illustrate, the origins and development of time-limited welfare are quite different in each state. (Table 2.1 notes some of the key milestones in the history of each state's program.)

Florida

Florida's Family Transition Program (FTP) grew in part from the recommendations of a commission created by the Florida legislature. The Study Commission on Employment Opportunities and Self-Sufficiency, a 25-member group including business leaders, consumers, client advocates, service providers, and others, issued its report in December 1992.

This report helped shape the legislative debate, but the state legislature clearly determined the program structure. The final version of the Family Transition Act, passed in April 1993, reflected a series of legislative compromises. For example, the legislature required that the program be implemented in two counties, one of which would test a mandatory approach and the other a voluntary model.

Federal waivers were requested in September 1993, and the pilot counties were selected in November of that year. Waivers were granted in January 1994, and the program began operating the following month.

Vermont

The roots of Vermont's time-limit program, the Welfare Restructuring Project (WRP), can be traced to May 1991, when the Vermont Agency of Human Services began a broad review of the AFDC system. Focus groups of community leaders, service providers, and parents on welfare were held throughout the state to discuss Vermont's welfare system and debate the values and purposes the system should reflect. At the same time, the Department of Social Welfare (DSW) — the agency directly responsible for the state's AFDC program — began a series of internal discussions involving most of its staff as well as staff from other agencies involved with AFDC families. DSW also undertook a detailed analysis of state economic trends, welfare demographics in Vermont and nationally, and welfare research.

The analysis concluded that many Vermonters saw the welfare system as incompatible with their values about work and family, that the system discouraged work, and that welfare caseloads and long-

Table 2.1

Time-Limited Welfare: Milestones of the Florida, Vermont, and Wisconsin Programs

Program Characteristic	Florida	Vermont	Wisconsin
Name of program	Family Transition Program (FTP)	Welfare Restructuring Project (WRP)	Work Not Welfare Program (WNW)
State legislation signed	April 1993	January 1994	December 1993
Federal waiver granted	January 1994	April 1993	November 1993
Start of program operations	February 1994	July 1994	January 1995

term welfare receipt had been increasing. At the same time, while the current system was seen as badly flawed, the review also uncovered concerns about increased poverty if the safety net were limited, and the potentially negative effects of requiring single mothers with young children to work full time.

In March 1992, the analysis culminated with a set of reform recommendations that included time limits and most of the other policy changes eventually adopted as the WRP. DSW had hoped to begin a reform demonstration in 1992 or 1993, but while federal waivers were granted in April 1993, the reform package did not pass the legislature until January 1994. Operations began in July 1994.

Wisconsin

Wisconsin has a long history of welfare policy experimentation. The state is currently operating at least seven separate experimental projects under federal waivers; other waiver requests were pending as of this writing.

The Work Not Welfare (WNW) program was proposed by the governor in May 1993. Newspaper reports from that time indicate that the proposal was well received in the legislature, not only by members of the governor's own party, but also by some members of the opposition party. However, the bill that passed the legislature in late October included both the WNW pilot and a series of provisions to "sunset" (i.e., end) the state's AFDC, food stamp, and general relief programs.

The governor signed the bill in December 1993, after vetoing several of its provisions. For example, he vetoed a provision that would have required Milwaukee to be one of the WNW pilot sites. In a letter explaining his partial veto, the governor noted that Milwaukee County was participating in several other pilot projects, and had indicated that its involvement in these other projects "limits the resources that it has available to participate in the WNW program." Other vetoes were necessary to make the program consistent with the terms and conditions of the federal waivers for WNW, which were granted in November 1993.[1] The program began operations in January 1995.

The Location of the Programs

Table 2.2 presents some of the characteristics of the areas where the three time-limit programs are operating.

None of the programs featured in this study is operating in a large urban area, which can be both an advantage and a disadvantage. Given that time-limited welfare is an untested approach with unknown risks, it seems prudent to test it first in areas with relatively few recipients and relatively favorable conditions. However, it will be important to see how the lessons from these early tests are applied; they may have only limited relevance to cities with large concentrations of AFDC recipients.

Following are descriptions of the three program locations:

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[1]The governor also vetoed several of the "sunset" provisions included in the bill. However, he did agree to end the state's AFDC program. In August 1995, he announced a new statewide plan to replace AFDC with a program known as W-2-Wisconsin Works. The W-2 model, slated for implementation in 1997, includes elements of the state's existing demonstration projects, including WNW.

Table 2.2

Time-Limited Welfare: Selected Characteristics of the Program Locations

Demographic Characteristic	Florida Family Transition Program	Vermont Welfare Restructuring Project	Wisconsin Work Not Welfare
Locations of program operations	Alachua and Escambia Counties	Statewide	Fond du Lac and Pierce Counties
Population, 1990	State: 12,937,926 Alachua County: 181,596 Escambia County: 262,798	State: 562,758	State: 4,891,769 Fond du Lac County: 90,083 Pierce County: 32,765
Population of largest city, 1990	Alachua County (Gainesville): 84,770 Escambia County (Pensacola): 58,165	Burlington: 39,127	Fond du Lac County (Fond du Lac): 37,757 Pierce County (River Falls): 10,610
Average monthly AFDC caseload	State:[a] 221,109 Alachua County:[a] 3,990 Escambia County:[a] 6,078	State:[b] 9,738	State:[c] 73,757 Fond du Lac County:[d] 700 Pierce County:[d] 200
Family poverty rate, 1989 (%)	State: 9.0 Alachua County: 14.4 Escambia County: 13.3	State: 6.9	State: 7.6 Fond du Lac County: 5.6 Pierce County: 6.2
Nonwhite population, 1990 (%)	State: 16.9 Alachua County: 22.5 Escambia County: 23.4	State: 1.4	State: 7.8 Fond du Lac County: 1.5 Pierce County: 1.2
Unemployment rate, May 1995 (%)	State: 5.0 Alachua County: 2.9 Escambia County: 4.7	State: 3.8	State: 3.7 Fond du Lac County: 3.7 Pierce County: 2.8

Sources: U.S. Census Bureau: *1994 County and City Data Book;* Bureau of Labor Statistics; and *The 1994 Green Book: Overview of Entitlement Programs* (Washington, D.C.: Government Printing Office, 1994). Data for Florida average monthly AFDC caseload provided by Florida Department of Health and Rehabilitative Services. Data for Wisconsin provided by Wisconsin Department of Health and Social Services. Data for Vermont provided by Vermont Department of Social Welfare.

Notes: [a]Data are an average of the first six months of 1995 for single-parent cases only.
[b]April 1995.
[c]Average monthly caseload for the period of July 1994 through June 1995.
[d]Approximate figures from 1994.

- Florida's program is operating in two moderate-sized counties, Alachua and Escambia.[2] The largest cities in these counties, Gainesville and Pensacola, each have fewer than 100,000 residents. Approximately 10,000 families receive AFDC in the two counties combined (Florida's statewide caseload exceeds 200,000).

- Vermont's program is operating statewide, but there are no large cities in the state. With a total population of less than 600,000, Vermont is the second smallest of the 50 states; its largest city, Burlington, has a population of about 39,000. The state's AFDC caseload is just under 10,000.

- Wisconsin's program is being tested in Fond du Lac and Pierce Counties, which have a combined population of approximately 125,000 and a combined AFDC caseload of less than 1,000 (the total state caseload is roughly 75,000). The largest city in either county, Fond du Lac, has a population of just over 37,000.

In both Florida and Wisconsin, the overall size of the pilot — that is, the total number of recipients who are affected — was determined in part by the availability of funding; as will be discussed in Chapter 3, both programs involve substantial up-front investments. Within this parameter, the pilot counties were selected through competitive processes in both states.

The data in Table 2.2 indicate that the Wisconsin pilot counties are relatively prosperous; both have low unemployment rates and below-average family poverty rates (the national family poverty rate was 10 percent in 1989). In addition, both counties' populations are overwhelmingly white (this is true of most Wisconsin counties; two-thirds of the state's nonwhite population lives in a single county, Milwaukee). The Florida pilot counties are also experiencing low unemployment rates, although their poverty rates are above the national average. Both have significant nonwhite populations.

The Recipients

The characteristics and attitudes of the individuals who are subject to the time limit in each state will almost certainly influence the program's implementation. Many factors may affect the profile of the AFDC caseload in a particular state or jurisdiction, including general social and economic conditions. In addition, AFDC grant levels and eligibility rules, which vary dramatically from state to state, determine the point at which recipients who go to work lose eligibility for assistance; grant levels may also affect recipients' views of the trade-offs between work and welfare. Vermont and Wisconsin both provide relatively high AFDC grants by current national standards. As of April 1995, Vermont's maximum monthly grant for a family of three ($650) was the third highest is the U.S., and Wisconsin's grant ($517) ranked 12th. Florida is a fairly low-grant state; its grant for a family of three ($303) ranked 37th.[3]

Demographic Characteristics

Table 2.3 presents some baseline information about the individuals who have entered the time-

[2]In July 1995, the state of Florida announced plans to expand the FTP program to six additional counties.
[3]Unpublished data from the U.S. Department of Health and Human Services.

Table 2.3

Time-Limited Welfare: Selected Characteristics of Individuals Entering the Florida and Vermont Programs

Characteristic	Florida	Vermont
Demographic characteristic		
Average age (%)		
Under 20	7.6	7.6
20-24	25.9	21.5
25-34	43.6	42.8
35-44	19.9	23.6
45 and over	3.1	4.5
Average age (years)	29.5	30.5
Ethnicity (%)		
White, Non-Hispanic	40.2	n/a
Black, Non-Hispanic	56.9	n/a
Hispanic	1.7	n/a
Other	1.2	n/a
Family status		
Marital status (%)		
Never married	52.9	40.3
Married, living with spouse	1.3	0.6
Married, living apart	18.9	15.5
Separated	6.2	7.0
Divorced	20.0	35.6
Widowed	0.6	1.0
Age of youngest child (%)		
2 and under	43.7	34.4
3-5	25.6	23.8
6 and over	30.7	41.9
Labor force status		
Worked full-time for 6 months or more for one employer (%)	62.0	60.6
Any earnings in past 12 months (%)	45.6	47.3
Never worked (%)	8.7	8.4
Approximate earnings in past 12 months (%)		
None	54.4	52.7
$1-999	18.4	14.3
$1,000-$4,999	16.2	18.7
$5,000-$9,999	7.3	9.0
$10,000 or more	3.8	5.3

(continued)

Table 2.3 (continued)

Characteristic	Florida	Vermont
Education status		
Highest credential earned (%)		
GED[a]	10.9	16.8
High school diploma	44.0	43.7
Technical/2-year college degree	6.9	8.2
4-year (or higher) college degree	1.0	3.2
None of the above	37.2	28.1
Highest grade completed in school (average)	11.2	11.4
Public assistance history		
Total prior AFDC receipt[b] (%)		
None	10.0	n/a
Less than 4 months	5.4	n/a
4 months or more but less than 1 year	14.9	n/a
1 year or more but less than 2 years	14.9	n/a
2 years or more but less than 5 years	27.8	n/a
5 years or more but less than 10 years	17.8	n/a
10 years or more	9.4	n/a
Resided as a child in a household receiving AFDC (%)		
Yes	18.5	22.1
No	75.8	69.8
Don't know	5.7	8.2
Sample size	4,651	4,792

SOURCE: MDRC calculations from Background Information Forms for sample members randomly assigned from May 1994 to March 1995 in Florida and from July 1994 to April 1995 in Vermont.

NOTES: The sample consisted of single parents in both program and control groups from all sites within each state.

Distributions may not add to 100 percent because of rounding.

n/a indicates that the data were not available.

Data on one or more background characteristics were missing for some sample members; these individuals were excluded from calculations for that characteristic.

[a]The General Educational Development (GED) credential is given to those who pass the GED test and is intended to signify knowledge of basic high school subjects.

[b]This refers to the total number of months accumulated from one or more spells on an individual's own or spouse's AFDC case. It does not include AFDC receipt under a parent's name.

limit programs in Florida and Vermont.[4] These data, collected just before each client entered the full-scale MDRC evaluation in each state, include only single-parent cases. The figures include all clients who had entered the program by the end of March 1995 in Florida, and all those who had entered by the end of April 1995 in Vermont.[5]

In demographic terms, the two states' samples are similar in several respects. The age distribution, for example, is nearly the same — the largest proportion of sample members in both states were in their late 20s and early 30s when they entered the programs — and well over half the sample members in both states had at least one preschool-age child. This suggests that the demand for child care may be great in both programs.

The key difference in the samples is in racial/ethnic composition. The sample in the Florida counties is about 40 percent white and almost 60 percent black. Individual data on the Vermont sample are not available at this point, but the state AFDC caseload is nearly all white, non-Hispanic.

The baseline data provide some important evidence on the magnitude of the task facing the programs in moving clients to self-sufficiency. On the one hand, the vast majority of sample members in both states had some prior work experience, and most (63 percent in Florida and 72 percent in Vermont) have at least a high school diploma or General Educational Development (GED) credential. On the other hand, less than half of these individuals had any earnings within the year before random assignment, and less than 20 percent had earned $5,000 or more during that period. Moreover, about a third of the sample members in each state had *never* worked full time for a single employer for six months or more.

The data on prior AFDC receipt show that 55 percent of the Florida sample members had received AFDC for a total of at least two years.[6] Comparable data are not available at this point for the Vermont sample. However, aggregate data for that state's full AFDC caseload in April 1995 indicate that approximately one-third had received AFDC continuously for more than two years, and one-fourth had received assistance continuously for more than three years.[7]

Individual-level data are not available for Wisconsin because that state is not part of a larger

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[4]Because random assignment evaluations are taking place in each state, these figures actually include both individuals who are subject to the time-limit programs and those who were randomly assigned to a group(s) that is not subject to the time limit. As expected, few differences were found in the average characteristics of the research groups within each state.

[5]As will be discussed further in Chapter 4, both Florida and Vermont applied the new rules, including the time limit, to all new applicants for AFDC beginning on the first day of program operations. However, the existing "on-board" caseload was not brought into the programs immediately. In Vermont, the recipients were phased-in over a period of one year, from July 1994 to July 1995. In Florida, the phase-in of recipients was still ongoing when this report was completed. Because the data in Table 2.3 include only those clients who entered the programs through March or April 1995, it does not represent the full recipient population. Typically, recipients are more disadvantaged, on average, than applicants.

[6]It is difficult to relate this figure to Florida's time-limit policy because, as will be discussed in Chapter 3, the policy allows (for most recipients) 24 months of AFDC receipt within a 60-month period. These data do not indicate the total time period during which these individuals accumulated the months of AFDC receipt they reported.

[7]These figures understate the number of families that have received AFDC continuously for two or three years. Some families leave AFDC and return immediately; this is, for all practical purposes, continuous receipt, but it is not counted as such in the state data cited here.

MDRC evaluation. However, staff in the pilot counties reported that their caseloads are overwhelmingly white, non-Hispanic (Fond du Lac County's caseload included 50 to 75 Hmong families in January 1995). In addition, staff in Pierce County reported that a large proportion of the county's AFDC recipients have at least a high school diploma. Finally, a study conducted by the state of Wisconsin examined the proportion of 1992 AFDC recipients who also had received benefits at some point in 1984 in order to estimate the percentage of long-term recipients in the caseload. Pierce County's rate, 15.9 percent, was the lowest among the state's 72 counties. Fond du Lac County's rate, 25.1 percent, was also below the state average.[8]

Attitudes Toward Work and Welfare

Table 2.4 reports data from the Private Opinion Survey, a brief form that was completed by clients at the same time the data in Table 2.3 were obtained (just before each client entered the programs).

Most sample members in Florida and Vermont reported that they want to work. Only about one-third of the respondents in Vermont and less than one-fifth of the respondents in Florida agreed or agreed a lot that they prefer not to work so that they can take care of their families full time.[9] Most sample members in both states reported wanting to work full time. In addition, 57 to 69 percent of the respondents reported that they would take a job that supported their family a little better than welfare, even if they didn't like the work.

At the same time, clients are clearly conscious of the trade-offs involved in moving from welfare to work. In both states, more than half the respondents said they would be unlikely to take a job at a fast-food restaurant such as McDonald's, even if it supported their family a little better than welfare, and most indicated that they would be unlikely to take a full-time job today if it paid *less* than welfare. Moreover, clients clearly perceive the value of employer-provided medical benefits: They would be willing to accept about $1.50 to $1.75 less per hour if a job provided such benefits. Finally, a substantial number of clients (37 percent in Florida and 36 percent in Vermont), when asked to express their preferences among five activities, including full-time and part-time work, said they preferred to enter a job training program. Very few respondents said they preferred to attend school to learn basic reading and math.

These data also show that many clients in both states report facing barriers to employment. Two-thirds to three-fourths of those who were not employed reported facing at least one of five barriers to part-time work identified in the questionnaire; lack of child care and transportation were most frequently cited in both states. At the same time, the vast majority said they could find someone they trusted to care for their children if they got a job,[10] and most sample members (89 percent in Florida and 82 percent in Vermont) said they expected to be working one year later. A large majority (73 percent in Vermont and 84 percent in Florida) said they expected to be off welfare one year later

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[8]See Wisconsin Department of Health and Social Services, 1993. The statewide figure was 31 percent; the rate in Milwaukee County, which includes about half of the state's AFDC caseload, was 36 percent.

[9]In a separate question, respondents expressed their preferences among five activities — staying home, learning a job skill, learning basic reading or math, working part time, and working full time. Faced with this broader choice of activities, only 5 percent (Florida) and 12 percent (Vermont) chose staying home.

[10]These data reveal an apparent contradiction: A large proportion of respondents cited child care as an obstacle to work, but most said they could find someone they trust to care for their children if they found a job. The discrepancy may indicate that child-care problems have less to do with the availability of providers and more to do with other issues, such as the cost or location of care.

Table 2.4

Time-Limited Welfare: Attitudes and Opinions of Individuals Entering the Florida and Vermont Programs

Characteristic	Florida	Vermont
Client-reported barriers to employment		
Among those not currently employed, percent who agreed or agreed a lot that they could not work part time right now for the following reasons:[a]		
No way to get there every day	38.9	41.3
Cannot arrange for child care	46.7	38.9
A health or emotional problem, or a family member with a health or emotional problem	20.8	32.3
Too many family problems	22.3	27.4
Already have too much to do during the day	15.5	25.8
Any of the above five reasons	69.8	75.5
Client-reported preferred activities		
Given the following choices, percent who would prefer to:[b]		
Stay home to take care of family	5.2	12.0
Go to school to learn a job skill	37.0	35.6
Go to school to study basic reading and math	5.9	4.0
Get a part-time job	5.4	8.7
Get a full-time job	40.2	33.5
Percent who agreed or agreed a lot that they:		
Prefer not to work so they can take care of their families full time	19.5	34.7
Do not want a job because they would miss their children too much	8.4	17.2
Like going to school	81.0	72.4
Cannot go to school or job training program right now because they are afraid to leave children in day care or with a babysitter	13.7	17.9
Percent who agreed or agreed a lot that children who go to day care or pre-school learn more than children who stay home with their mothers	61.0	46.6
Percent who, if they had a choice, would prefer to work in a:		
Part-time job	23.1	36.5
Full-time job	77.0	63.5

(continued)

Table 2.4 (continued)

Characteristic	Florida	Vermont
Client-reported employment expectations		
If someone offered client a job that could support client's family a little better than welfare, percent who would likely or very likely take the job if:		
Client did not like the work	68.7	57.3
Client had to work at night once in a while	75.9	65.1
The job was in a fast-food restaurant such as McDonald's	48.7	33.8
It took more than an hour to get there	40.5	28.5
If someone offered client a full-time job with no medical benefits, minimum amount per hour at which the client would take the job:		
Median ($)	7.00	8.00
Mode ($)	5.00	8.00
Mean ($)	8.31	8.95
If someone offered client a full-time job with full medical benefits, minimum amount per hour at which the client would take the job:		
Median ($)	6.00	7.00
Mode ($)	5.00	6.00
Mean ($)	6.91	7.27
Percent who agreed or agreed a lot that it will probably take them more than a year to get a full-time job and get off welfare	48.4	58.6
Percent who agreed or agreed a lot that they would take a full-time job today, even if the job paid less than welfare	35.0	26.0
Percent who agreed or agreed a lot that if they got a job, they could find someone they trusted to take care of their children	79.4	79.6
Percent who agreed or agreed a lot that:		
A year from now they expect to be working	89.1	81.8
A year from now they expect to be receiving welfare	16.5	26.9

(continued)

Table 2.4 (continued)

Characteristic	Florida	Vermont
Client-reported attitudes toward welfare		
Percent who agreed or agreed a lot with the following statements:		
I feel that people look down on me for being on welfare	45.9	66.6
I am ashamed to admit to people that I am on welfare	39.6	60.0
Right now, being on welfare provides for my family better than I could by working	37.9	61.0
I think it is better for my family that I stay on welfare than work at a job	9.4	18.1
Client-reported social support network		
Percent who agreed or agreed a lot with the following statements:		
Among my family, friends, and neighbors, I am one of the the only people who is on welfare	32.4	37.6
When I have trouble or need help, I have someone to talk to	77.6	81.1
Sample size	3,420	4,673

SOURCE: MDRC calculations from Private Opinion Survey (POS) forms for sample members randomly assigned from May 1994 to March 1995 in Florida and from July 1994 to April 1995 in Vermont.

NOTES: The sample consisted of single parents in both program and control groups from all sites within each state.

Twenty-six percent of sample members from Florida and 2.5 percent from Vermont did not complete a POS.

Distributions may not add to 100 percent because of rounding. In most item groupings, individuals could agree or agree a lot with more than one statement in the grouping; therefore, distributions could add to more than 100 percent.

[a] Part time is defined as a minimum of 10 hours' work per week.

[b] Distributions do not add to 100 percent because some individuals did not indicate a consistent preference. Multiple responses were not possible for this item.

(although it is worth noting that about half the respondents agreed or agreed a lot that it will take them more than a year to get a full-time job *and* get off welfare).

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In sum, in assessing the policies and implementation experiences discussed later in this report and their implications for other states, it is important to bear in mind the scale of the three time-limit programs and the characteristics of the locations where they are operating. Of the three programs, only Vermont's operates statewide; however, Vermont is the second-smallest state and has no large urban areas. The two Florida pilot counties are moderate-sized and have diverse populations, and the two Wisconsin pilot counties are small and relatively prosperous.

Data on the AFDC recipients who are subject to the time limits in each state suggest that the states will face major challenges in moving a large proportion of recipients into jobs before they reach the limits. Although most recipients have worked in the past and report that they want to work now, many have unstable work histories and report facing barriers to employment.

Chapter 3

Variations on a Theme: How the States Approach Time-Limited Welfare

At first glance, time-limited welfare sounds like a straightforward policy: After a certain number of months of welfare receipt, the checks stop or the recipient is required to work. Through both their similarities and their differences, the three state time-limit models discussed in this report illustrate that the reality is likely to be much more complex.

On the one hand, the three models illustrate that there is no single definition of the term *time limit*. The three states, proceeding from sharply different philosophies toward and assumptions about welfare, have crafted three fundamentally different approaches.

On the other hand, the models also have important similarities. These common themes suggest that administrators and elected officials in all three states have sought to balance the same broad goals described in Chapter 1: reducing dependency, supporting children, and controlling costs. When faced with the task of designing time-limit programs for real-life families, all three states have built flexibility into their models to reflect the diversity of the AFDC caseload, and all have embedded the time limit in a broader set of services, mandates, and incentives designed to help recipients become employed before they reach the time limit. In short, the states' time-limit programs include much more than time limits.

A Fundamental Distinction: What Happens at the Time Limit

The Florida, Vermont, and Wisconsin programs represent three different visions of time-limited welfare. As illustrated in Table 3.1, these disparate views are reflected in the treatment of individuals who reach the time limit (the states' policies for recipients before they reach the time limit will be discussed later in this chapter):

- In Florida, AFDC benefits will be terminated at the time limit. The state, however, will provide a public or private work opportunity to recipients who cooperate with program requirements but are unable to find a job upon reaching the time limit despite diligent efforts.

- In Vermont, the time limit signals the imposition of a work requirement. Recipients who reach the limit are required to work a specific number of hours per week. Those who cannot find jobs on their own will be provided with community service positions and will continue to be eligible for partial AFDC grants if their income is below a minimum level. Recipients who fail to comply with the work requirement will lose control over their grant; when this occurs, the state will take over and issue direct payments to cover rent and other expenses. Recipients who fail to comply with the reporting requirements associated with this "money management" process may have their grants canceled.

- In Wisconsin, AFDC benefits will be terminated at the time limit. Recipients are subject to a strict work requirement before the time limit, but no government-subsidized jobs will be provided afterward, though recipients may

Table 3.1

Time-Limited Welfare: Key Features of the Florida, Vermont, and Wisconsin Programs

Feature	Florida Family Transition Program	Vermont Welfare Restructuring Project	Wisconsin Work Not Welfare
Length of the time limit	24 months in a 60-month period for most recipients.	30 months for single-parent families.	24 months in a 48-month period for all recipients.
	36 months in a 72-month period for specific disadvantaged groups.	15 months for two-parent families.	
Consequences of reaching the time limit	AFDC benefits end.	Recipients are required to work; state provides community service jobs when necessary. AFDC eligibility continues.	AFDC benefits end.
		Recipients who fail to comply with the work requirement are placed in "money management"; the state takes over responsibility for their grant. Recipients who fail to comply with money management reporting requirements may have their grants canceled.	
Policies for extensions and exemptions from the time limit	Certain categories of recipients are exempt from the time limit (e.g., over age 62, disabled or incapacitated, caring for a disabled relative).	Certain categories of recipients are exempt from the work requirement (e.g., age 60 or over, disabled or incapacitated, caring for a disabled relative).	Certain categories of recipients are exempt from the time limit (e.g., over age 60, disabled or incapacitated, caring for a disabled relative).
	Time limits are suspended during periods of high unemployment.	Work requirement may be temporarily postponed to allow for completion of certain education programs.	Extensions may be granted on a case-by-case basis with approval of state manager under certain conditions (e.g., recipient disabled, has significant limitations to employment, or local labor market conditions preclude a reasonable job opportunity).
	Review Panel of community representatives may recommend individual extensions under certain conditions.	Required work hours may be reduced for recipients making satisfactory progress in an education program.	

(continued)

Table 3.1 (continued)

Feature	Florida Family Transition Program	Vermont Welfare Restructuring Project	Wisconsin Work Not Welfare
State policies for recipients whose benefits are terminated	State will provide work opportunities for recipients who are unable to find jobs despite diligent efforts.	Former recipients are eligible for non-cash benefits, such as food stamps.[a]	Family may receive vender shelter payments if children are threatened with homelessness.
	Child's portion of AFDC grant is retained if complete termination is likely to result in the child being placed in emergency shelter or foster care.		Children's Services Network offers referrals for services that provide food, clothing, medical attention, etc.
	Former recipients are eligible for non-cash benefits, such as food stamps.[a]		Former recipients are eligible for non-cash benefits, such as food stamps.[a]

Note: [a]Individuals who are disabled may receive benefits through the Supplemental Security Income (SSI) program if they meet that program's eligibility criteria.

be eligible for various forms of non-cash assistance and, if necessary, vendor shelter payments to prevent homelessness of children.[1] In addition, a Children's Service Network will identify community resources and centralize referrals for social services.

Vermont has designed a version of the work-trigger approach described in Chapter 1, while Wisconsin has created a benefit termination model. Florida's model is somewhere between the two; publicly subsidized jobs may be provided after the time limit, but not in all cases. As will be discussed below, however, all three of the models are actually much more complicated than these simple descriptions suggest.

Why Are the Models So Different?

The states' models were shaped by a number of factors, including different philosophies and assumptions about the AFDC caseload, state politics, and the federal waiver process.

Philosophies and Assumptions

To a large extent, the states' disparate approaches flow from the differing values and assumptions that underlie each program. In interviews, senior state officials were asked to rank a set of potential objectives for their time-limit programs. The choices included "ending long-term welfare dependency," "increasing work among welfare recipients," "saving money for taxpayers," and "increasing self-sufficiency among welfare recipients." Although officials in all three states supported most of the potential objectives, their rankings are revealing.

Vermont officials identified "increasing work among welfare recipients" as the primary objective of WRP; this is consistent with the conclusions of the large-scale review of the state's welfare system, described in Chapter 2, that shaped the program. State officials felt that other important goals — reducing poverty, improving the public perception of welfare, and achieving better outcomes for children — would follow if the program succeeded in increasing work. Vermont's governor put it this way: "I expect to see stronger families, with children growing up with a respect for work and a respect for themselves . . . I didn't do this reform for budgetary reasons. I did it because it was terrible to give families a check for nothing. It undermines families, it undermines children."

While Vermont officials also supported the goal of reducing long-term welfare receipt, they acknowledged that their model will allow people to receive partial AFDC grants indefinitely, as long as the payments "supplement rather than supplant work." Moreover, while they clearly favor unsubsidized employment — and designed their policies to encourage it[2] — they saw a need to provide

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[1]The amount of the vendor shelter payments will not exceed the children's portion of the welfare grant.

[2]The preference for unsubsidized jobs is demonstrated in several ways: 1) recipients must engage in job search as they approach the time limit and are required to accept any available unsubsidized job that pays at least the minimum wage; 2) community service positions will pay minimum wage, and all earnings except for $90 a month will be taken into account when calculating the AFDC grant; for unsubsidized jobs, $150 plus 25 percent of the remaining earnings will be disregarded; 3) recipients in unsubsidized jobs are required to work fewer hours per week after the time limit; 4) individuals who work in unsubsidized jobs can earn "credit" to extend the time limit; and 5) community service is considered a temporary work activity designed to enhance skills; placements are limited to 10 months and are preceded and followed by 2 months of job search.

community service jobs to recipients who are unable to find work on their own.

These elements of the Vermont model reflect an attempt to balance the goal of increasing work with other objectives. For example, administrators said they wanted to allow mothers of younger children to work part time (combining work and welfare), in recognition of the fact that "single parents are being asked to perform the roles of nurturing parent and breadwinner at the same time." More generally, Vermont officials said they wanted to maintain the safety net function of AFDC; they argued that economic conditions and physical and emotional problems make self-sufficiency impossible in some cases. In the governor's words:

> You can't just cut people off and assume that some of them are not going to need more support. It just doesn't work that way . . . For me, the idea is to give people the work experience and make sure they are working, not to take them off welfare . . . There are always going to be people who aren't going to do as well as others, and government is going to have to provide a safety net for those people.

The Vermont perspective contrasts sharply with Wisconsin, where state officials were committed to the goal of increasing work, but identified "reducing long-term welfare dependency" as the primary objective of the WNW program. This focus was captured by the governor, who said, "Saving money is not the reason we're doing this in the state of Wisconsin. We're doing this to break the shackles of dependency and get them [welfare recipients] into a life of independence."

The governor also noted that WNW is designed to "look like the real world," comparing the program to unemployment insurance, which provides only temporary assistance (usually for 26 weeks). This strong emphasis on reducing dependency and the perceived negative impacts of long-term AFDC receipt clearly precluded allowing recipients to combine work and AFDC indefinitely. In addition, state officials sketched out a broad definition of the term *dependency* that is incompatible with providing subsidized jobs to recipients who reach the time limit: Wisconsin administrators argued that "Any job that is fully subsidized is just welfare under another name."

Another key difference between the two states involves assumptions and expectations. Wisconsin officials were conscious of the need to support children — they pointed to policies allowing case-by-case extensions to the time limit, various forms of non-cash assistance available to families whose grants are terminated, and the possibility of vendor shelter payments to prevent homelessness — but they expect few recipients to reach the time limit without finding work. They noted the intensive services available to recipients during their time on welfare, the strong labor markets in the pilot counties, and a bottom-line belief that nearly all AFDC recipients are capable of becoming self-sufficient.

While state officials acknowledged that there is a group of recipients who are "not quite eligible for SSI" but still unable to hold a job, they felt that few recipients fell into this category. Moreover, they expect the size of this group to shrink over time as the reform becomes institutionalized; they see the old welfare system as partly responsible for the "not quite SSI" group's existence. As one official put it, "A lot of the wounding, if you will, has been done by the [welfare] programs themselves. This is a culture that has become embedded in people as a result of what was done with good intentions, but has produced some not-so-good outcomes."

Florida officials identified "reducing long-term welfare receipt" and "increasing self-sufficiency among welfare recipients" as the key goals of FTP. Thus, as in Wisconsin, parents will not be allowed to collect additional AFDC payments after the time limit. However, state officials also stressed the fact that FTP is designed to support parents who "play by the rules" but are unable to find

a job on their own; these individuals will be offered work opportunities through a post-time-limit transitional employment program.[3] However, a senior Florida official described the difference between FTP's work *opportunity* and a firmer job *guarantee:*

> A job guarantee says, "No matter how little I do, how little effort I make, something will protect me against the consequences of my behavior." By providing a work "opportunity," we are saying [to recipients], "If you do your part, if you do everything we ask, and you get to the end and in spite of your best efforts, you can't find a job, it's not okay with us to cut you off."

Although state officials clearly believe the time limit will produce dramatic changes in behavior, they described FTP as an experiment and acknowledged that the assumption underlying the time limit — that most AFDC recipients can find a way to support their families without welfare if confronted with a firm deadline — may not be correct. They saw this as the biggest risk of their program:

> If it's true that a significant majority of the recipients can be off welfare before the time limit and have income from employment, child support, or some other source that is at least as much as they had through AFDC, then between extensions, exemptions, and transitional employment, we can accommodate the rest. But if it's only 50/50 [i.e., 50 percent hit the time limit], it was an interesting experiment, but we were wrong, this was not a good idea. At that point, it will be a political question whether it is acceptable to throw those people off the cliff and face the consequences. I personally hope the answer will be no.

This information suggests that all three states are attempting to balance a set of similar objectives for welfare reform. However, they place different priorities on these goals. Moreover, they are guided by quite different definitions of key concepts, such as dependency, and hold different views about the capacity of AFDC recipients to support their families without any cash assistance. Of course, these assumptions may be related to the environment where the three programs are being tested and could be different if, for example, economic conditions were worse or the caseload were more disadvantaged. As noted earlier, none of the three programs is being tested in a large urban area.

State Politics

All of the models were shaped to some degree by state legislatures. This was particularly apparent in Florida (as discussed in Chapter 2) and Vermont.

As noted in Chapter 2, it took two years to pass Vermont's WRP after it was first introduced by the governor in 1992. Most of the opposition came from the State House of Representatives, which felt that the program was too harsh. Ultimately, the legislature made several changes in the program. For example, it required that the time-limit model be tested against an approach that provides enhanced financial incentives and services without a time limit. To make this comparison, 60 percent of the eligible AFDC caseload is assigned to a group that receives enhanced services and incentives and is

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[3]Florida's post-time-limit work program differs from Vermont's Community Service Employment (CSE) program in that Florida recipients will not be eligible for AFDC payments after the time limit; participants in the transitional employment program will get only what they earn from working. In Vermont, individuals who fail to comply with the work requirements can be penalized (as described above), but may still receive AFDC benefits if CSE earnings are less than the AFDC grant.

also subject to the time limit; 20 percent of the caseload is assigned to a group that receives the same special services and incentives but has no time limit; and the final 20 percent is assigned to a control group that is subject to normal AFDC rules.[4] In addition, the legislature refused to support financial sanctions for recipients who did not comply with the work requirements; it replaced sanctions with the money management system described above.

The Federal Waiver Process

All three states had to obtain federal waivers to implement their time-limit programs. In granting such waivers, the relevant federal agencies — notably the U.S. Department of Health and Human Services — sometimes insist on changes in states' approaches. Vermont's and Wisconsin's models were approved with relatively minor alterations, but Florida's was changed in a more substantial way.

Florida's initial waiver application described a set of safeguards for recipients reaching the time limit. For example, participants could be granted limited extensions, and any decision to eliminate the entire grant had to be approved by a Review Panel comprising community representatives and the local welfare administrator. In addition, full benefits would not be terminated if the administrator determined that this would likely result in a child being placed in an emergency shelter or foster care. However, as a condition of granting the waiver, the federal government required the state to:

> . . . design a transitional employment program to provide private sector employment opportunities for each FTP participant who has diligently completed her (or his) self-sufficiency plan but has been unable to find employment after becoming ineligible for benefits . . . If private sector employment is insufficient to meet the needs of the program, the state will provide the opportunity for public sector employment.

State officials said the transitional employment program did not significantly change the state's approach. One official said, "It was never the intention of the legislature to throw people over the side if they did their part. The transitional employment program didn't change our direction, it clarified it."

The Limits of Time Limits: Common Themes in the State Models

Despite the profound differences discussed above, the three state programs featured in this report share several common elements. The most obvious similarity is that administrators and elected officials in all three states strongly support the basic premise that time limits will produce profound changes in both the behavior of welfare recipients and the operations of the welfare system.

At the same time, the design of the three programs suggests a shared recognition of the potential limitations of this approach. None of the states apply time limits to all recipients in all circumstances, and, as mentioned previously, all of them accompany the time limit with an extensive and potentially costly set of incentives, services, and mandates designed to help recipients find jobs before reaching the time limit. These supplementary policies reflect the need to balance the public's multiple goals for welfare reform.

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[4]This will allow the evaluation to isolate the impacts generated by the time limit and the enhanced services and incentives.

One Size Does Not Fit All: Flexibility and Time-Limited Welfare

A variety of studies have demonstrated the diversity of the AFDC caseload. For example, the research on welfare dynamics, cited in Chapter 1, has identified several quite different patterns of welfare receipt: Some recipients leave welfare quickly and never return, others remain on the rolls for long periods, and still others "cycle" between welfare and low-wage work. Data on the characteristics of welfare recipients also reveal much diversity. As Chapter 2 indicated, some AFDC recipients face physical, emotional, or skill-related barriers to employment, while others are relatively job-ready.

On paper, time-limited welfare seems ill-suited to respond to this diversity; it is, by definition, a "one size fits all" approach. But the reality of the state programs is considerably more complex. Each state has attempted to build flexibility into its program to reflect the diversity of the AFDC caseload. Examples of these efforts include:

- **Different time limits for different types of recipients.** Two of the three states have established different time limits for different subgroups of AFDC recipients. In Vermont, the time limit differs for two-parent families (15 months) and single-parent families (30 months), under the assumption that recipients in two-parent families are likely to have had more extensive labor market histories. In addition, Vermont's post-time-limit work requirement differs for single parents with children under age 13; these parents are required to work 15 to 20 hours per week, while those with no children under age 13 are required to work 30 to 40 hours per week.[5] In Florida, while most recipients are subject to a 24-month time limit, a 36-month limit applies to certain groups of disadvantaged recipients.[6]

- **Resetting the clock.** While all three states measure the time limit cumulatively — that is, separate periods on welfare are added together in determining how many months a family has received assistance — none of them has established a lifetime time limit. In Florida and Wisconsin, families are limited to a specific number of months of welfare receipt within a set time period. For example, Wisconsin allows 24 months of AFDC receipt within a 48-month period. Individuals who exhaust this limit must remain off cash assistance for 36 months. Vermont's model is the closest to a lifetime limit but, even there, parents can receive "credits"; the time limit is extended by 6 months for every 12 continuous months the parent leaves welfare or works in an unsubsidized job while receiving AFDC.

- **Exemptions and extensions.** None of the states applies the time limit to all AFDC recipients; all three have developed policies for exemptions, which remove certain categories of recipients permanently or temporarily from the time-limit clock, and for extensions, which provide additional months of AFDC receipt to certain people who reach the time limit.

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[5] Recipients are required to work fewer hours per week if their job is unsubsidized.

[6] The following groups are subject to the 36-month time limit: individuals who have received AFDC for at least 36 of the 60 months before assignment to FTP, and individuals who are under 24 years old, have no high school diploma, are not attending high school, and have little or no work history (defined as 3 months or less of work experience within the past 12 months).

These policies — and how they are implemented — will critically affect the operation of the state programs; they may ultimately determine how many people reach the time limit and what happens to those who do. In developing the policies, the states faced a difficult balancing act: Time-limited welfare is based on the assumption that a firm, immutable deadline will stimulate dramatic change in the behavior of recipients, the operations of welfare agencies, and public perceptions of the welfare system. "Watering down" the time limit with numerous exceptions would presumably reduce its power to achieve those changes. At the same time, however, state officials clearly believe that time limits are inappropriate in certain circumstances, and that the policies must be flexible enough to protect children when their parents cannot work. This attempt to create flexibility without sacrificing firmness leads to a set of difficult strategic choices, as reflected in the states' exemption and extension policies.

State Exemption and Extension Policies

Current law exempts certain categories of AFDC recipients from mandatory participation in the JOBS program. For example, recipients caring for a child under age 3 (or under age 1 at state option) are exempt, as are recipients under age 16, over age 60, and those who are ill or incapacitated.[7]

All three of the states have designed exemption rules that are narrower than current JOBS policies; the time limits apply to a broader share of the AFDC caseload. But the states have approached the general issue of exceptions to the time limit somewhat differently:

- In Wisconsin, exemptions that stop the time-limit clock from ticking are narrowly limited to recipients over age 60 or under age 18; those who are receiving SSI; teenagers who are covered by the state's Learnfare program;[8] recipients who are caring for a child under age 1 (but only if the child was conceived before the parent entered the program); non-legally responsible relatives who are not included in the assistance group; and recipients who are 100 percent incapacitated for 30 days or more or are needed in the home to care for a family member who is incapacitated.[9]

  An extension policy acts as a safety valve, allowing for considerable case-by-case discretion within specified parameters. Recipients approaching the time limit may request an extension; case managers then assess the requests, considering "unusual circumstances" that include "low achievement ability, learning disability, emotional problems, or family problems . . . of such severity to prevent obtaining employment." In addition, staff are expected to consider whether the individual cooperated with program mandates and made a good faith effort to find a job, whether the welfare agency provided the services necessary

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[7]Other groups who are exempt from the JOBS mandate include: children age 16 and over who are attending school; recipients living in remote areas; individuals needed in the home to care for an ill or incapacitated household member; individuals working 30 or more hours per week; pregnant women (after the first 3 months of the pregnancy); parents or relatives caring for a child under age 6, unless the state guarantees child care; and full-time VISTA volunteers.

[8]The Learnfare program, implemented in 1987, requires regular school attendance by teenagers in families receiving AFDC.

[9]Wisconsin officials, interviewed for a recent report on time-limit exemption policies (see Savner et al., 1995), estimated that about 33 percent of the caseload in the two pilot counties is currently exempt. This figure may vary over time; for example, the proportion who are exempt could increase if a large number of non-exempt clients left the rolls.

to help the individual become employed, and whether job opportunities actually exist in the local labor market. The final decision on any extension will be made by a state official assigned to oversee the program.

- In Florida, up-front exemptions are also limited,[10] although, as noted earlier, a longer time limit is set for certain groups of recipients. Florida's extension policy is somewhat broader than Wisconsin's in that it allows for a blanket suspension of the time limits during periods of high unemployment,[11] as well as individual extensions. Applications for individual extensions are considered by a Review Panel consisting of community representatives. A recipient may be granted up to two four-month extensions, although the time limit may also be voided in situations where the state failed to provide sufficient services. The Review Panel is required to recommend an extension if it determines that the participant complied in good faith with program requirements but: 1) the state failed to provide sufficient services, 2) the participant "would benefit from additional education or training in a way that is likely to contribute significantly to her immediate employment prospects," or 3) the participant has "encountered extraordinary difficulties in obtaining employment" or in completing assigned activities.

  In contrast to Wisconsin, where a state official must sign off on all extensions, in Florida a state manager must approve decisions to terminate benefits, after determining that this is "not likely to result in a child's being placed into emergency shelter or foster care." If this consequence is judged to be likely, the grant is reduced by removing the adult's portion, but is not terminated. In addition, the rules state that "Assistance to the children . . . will not be terminated when the only family income is the AFDC grant or when other income to the family is so small as to put the children at risk."

- In Vermont, as in the other states, only a few categories of recipients are initially exempt from the time limit. However, Vermont has opted to spell out its extension criteria in considerable detail, resulting in a longer list of exceptions but less room for case-by-case discretion. In addition to the types of exceptions granted in the other states (e.g., for disabled recipients),[12] Vermont's rules

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[10]The following categories of clients are exempt from FTP: caretaker relatives whose needs are not included in the AFDC grant; incapacitated or disabled adults (including applicants in the fourth through ninth month of pregnancy); individuals under age 18 who are in school or working 30 hours per week; full-time caretakers of disabled dependents; parents/caretakers of children age 6 months or younger; and recipients age 62 or older.

[11]The time limit may be suspended when the state's unemployment rate is at least three base percentage points above the average for the past three years.

[12]Both Vermont and Wisconsin have developed strict new policies for recipients who are deemed to be incapacitated. For example, under Vermont's policy, to receive a medical exemption a recipient must have an "impairment which makes him or her unable to do his or her previous work and all other work which exists within a two-hour commute of his or her home." In addition, individuals who are found to be incapable of working for 4 to 12 months are required to participate in "appropriate rehabilitation, training and education activities" during the period in which they are exempt. When a recipient requests a medical exemption lasting

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reflect a strong commitment to education: Parents can be granted temporary exemptions from the work requirement to complete high school, for GED preparation, or for post-secondary programs if they are close to completion and have demonstrated progress.

As these descriptions suggest, all of the states allow only a few up-front exemptions from the time limit. The advantage of this approach is that it reduces the need to predict in advance how recipients will fare based on their characteristics or history at the point when they enter the program; such judgments tend to be difficult. By applying the time limit to most recipients, the state can maximize its ability to stimulate behavioral change. On the other hand, such a policy may ultimately increase the number of extensions and make it more difficult to predict how many people will reach the time limit.

In crafting their extension policies, both Florida and Wisconsin chose to allow for substantial case-by-case discretion (Florida's policy obviously includes more "hurdles" before a grant can be terminated). Particularly in Wisconsin, there are few specific circumstances for which an extension *must* be granted. This approach has several distinctive features. First, designing rules that will apply in all situations is obviously difficult; allowing for some discretion may provide a safeguard in situations that are not easily categorized. This is particularly important in the two states where the time limit triggers the termination of benefits. Second, defining exceptions in detail may increase the probability that recipients will focus on ways to make themselves fit into one of the categories, rather than concentrating on getting off welfare. Third, less-defined policies — when combined with a state-supervised review process — may give the state more control over their day-to-day implementation

On the other hand, relatively loosely defined rules may be difficult to implement and confusing to staff. To some extent, the Florida and Wisconsin extension policies reflect a discretionary view of public assistance that allows for case-by-case decisions about which families need aid after the time limit; this is in contrast to the current, entitlement-based AFDC system, which generally does not allow for such judgments. A potential difficulty with the new approach is that it may increase the risk that the policies will be applied inequitably. Vermont's extension criteria are designed specifically to minimize worker discretion and ensure equitable treatment of recipients; extensions must be granted if certain objective criteria are met. As one administrator put it, "You don't want the rules defined differently depending on the circumstances of the person in front of you." Florida and Wisconsin have instituted formal review procedures to promote consistency but, ultimately, local and state staff will have to make difficult case-by-case judgments that could have serious repercussions.

The states' exemption and extension policies blur some of the neat distinctions between the time-limit models that were described earlier in this chapter. In reality, all three of the states are seeking to maximize the impact of the time limits on recipients' behavior while instituting policies that will allow them to identify and continue to support some parents who are unable to work steadily. The differences in their approaches in part reflect different strategic choices for balancing these objectives. This blurring is even more apparent when the extension and exemption rules are considered along with the policies for people who reach the time limit. For example, all three states' policies will allow them to continue providing assistance to recipients who make a diligent effort to work but cannot find employment; Florida and Vermont may do this through public jobs, while Wisconsin may grant an

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[12](...continued)
more than one year, his or her physician's recommendation is reviewed by the state's Medical Examiner. Wisconsin will also make an effort to limit the number of exemptions for incapacitation, and efforts will be made to find suitable work opportunities for these individuals.

extension of the time limit. Of course, these strategies cannot be assessed fully without observing how they are implemented if and when families begin reaching the time limits.

Necessary But Not Sufficient: Policies That Accompany Time Limits

As discussed in Chapter 1, any time-limit program stands a better chance of success if fewer recipients reach the limit. A smaller number of recipients reaching the time limit translates into fewer public jobs (if jobs are provided after the time limit) and fewer children who lose income (if jobs are not provided). In either case, the state will have a better chance of balancing the goals of reducing dependency, supporting children, and controlling costs.

In interviews, administrators in all three states argued strongly that time limits will generate real change, both in the behavior of recipients and in the organizational culture of the welfare system. At the same time, however, none of the states is relying on the time limits alone to achieve these changes; all three have embedded the time limits in a broader set of policies designed to help recipients find jobs before reaching the limits.

Administrators in all three states said they were committed to giving recipients the help they need to find jobs. One Wisconsin official captured this notion by saying, "We have the commitment and involvement of the community, including . . . the business community, to ensure that all WNW participants have the opportunity to become self-sufficient before exhausting their time-limited benefits." In fact, all three states' extension policies stipulate that decisions about whether to grant extensions to the time limit must consider whether the state provided sufficient services to help the recipient become employed.

As illustrated in Table 3.2, the specific nature of these pre-time-limit activities varies widely from state to state, but the components generally fall into three broad categories: incentives, mandates, and services.

Incentives. For years, observers have argued that the financial incentives embedded in the AFDC program discourage desirable activities such as work, saving, and marriage by penalizing recipients who take these steps. Of course, some undesirable incentives are a necessary byproduct of a means-tested program. For example, unless welfare is made available to people at all income levels, benefits must decline as earnings rise. But many have argued that AFDC rules penalize recipients too abruptly when they attempt to move toward self-sufficiency. More recently, some have contended that the program's design also encourages undesirable activities — for example, childbearing, in situations when a parent is unable to support the child.

All three of the states have addressed these disincentives as part of their time-limited welfare programs. The goal of these changes is to encourage recipients to take positive steps (or avoid negative ones) while they are receiving welfare in order to help them become self-sufficient before reaching the time limits.

The key types of incentives include:

- **Expanded earned income disregards.** One frequently criticized aspect of the welfare system is that it discourages work by reducing people's benefits too

Table 3.2

Time-Limited Welfare: Key Incentives, Mandates, and Services Implemented in Conjunction with the Time Limit in Florida, Vermont, and Wisconsin

	Florida Family Transition Program	Vermont Welfare Restructuring Project	Wisconsin Work Not Welfare
Incentives	Expanded and extended disregard of earned income ($200 plus one-half of remaining earnings).	Expanded and extended disregard of earned income ($150 plus one-quarter of remaining earnings).	Extended disregard of earned income.
	Recipients permitted to accumulate more assets and own more valuable cars.	Recipients permitted to accumulate more assets and own more valuable cars.	Restrictions on eligibility for two-parent families are reduced.
	Restrictions on eligibility for two-parent families are eliminated.	Restrictions on eligibility for two-parent families are eliminated.	Child support paid directly to the AFDC family.
		Child support paid directly to the AFDC family.	Food stamps are "cashed out" and provided, along with AFDC, in a single grant.
			Family cap provision denies benefits for children conceived while their mothers receive AFDC.
Mandates	Narrower exemptions from JOBS participation mandate.	Two-parent cases required to participate in JOBS. Single-parent cases required to participate beginning two months before reaching time limit.	Narrower exemptions from JOBS participation mandate; recipients required to earn their benefits through participation in education, training, or work.
	Recipients required to speak with school officials, ensure that children are attending school regularly, and prove that preschool children have necessary immunizations.[a]	Minor parents required to live at home or in an approved setting.	Learnfare program requires teenagers in families receiving AFDC to attend school.[b]

(continued)

Table 3.2 (continued)

	Florida Family Transition Program	Vermont Welfare Restructuring Project	Wisconsin Work Not Welfare
Services	Expanded funding for JOBS and support services (e.g., child care) for JOBS participants.	Expanded funding for JOBS and support services (e.g., child care) for JOBS participants.	Expanded funding for JOBS and support services (e.g., child care) for JOBS participants.
	Transitional child care extended from 12 to 24 months.	Transitional Medicaid extended from 12 to 36 months.	Enhanced case management services; social workers assigned to "at-risk" families.
	Continued education and training for participants who have found jobs and gotten off welfare.	Transitional child care available as long as income remains below state median.	More flexible rules for transitional Medicaid; priority for low-income child care subsidies is given to those exhausting transitional child care eligibility.
	Enhanced case management services.		

Notes: [a]The immunization mandate applies to AFDC applicants.
[b]Learnfare is a statewide program implemented in 1987; if teenagers do not attend school, their family's grant may be reduced.

abruptly when they begin to earn money.[13] All three states have changed the rules for calculating AFDC grants to reward recipients with earned income. All three have extended the current policies for disregarding (i.e., not counting) certain amounts of earned income when calculating the monthly grant amount; under current law, the disregards are limited to the first few months of employment. In addition, all of the states have changed the amount of earned income that is disregarded. Florida's policy is the most generous in this regard: The first $200 plus one-half of the remaining earnings is disregarded each month for as long as the individual receives AFDC.

- **Expanded asset limits.** Federal AFDC eligibility rules strictly limit the amount of assets an AFDC recipient can maintain; each family can have assets of no more than $1,000 (including savings), with a $1,500 exemption for an automobile. Some have argued that this policy discourages recipients from saving money and makes it nearly impossible for them to own reliable cars for commuting to work. Both Florida and Vermont have loosened these rules. Florida has raised the asset limit to $5,000 and increased the vehicle exclusion limit, and Vermont exempts assets that are derived from earnings, along with one car.

- **New eligibility rules for two-parent families.** AFDC rules sharply limit eligibility for intact families. The principal earner must satisfy a work history requirement and must work less than 100 hours per month to remain eligible. Some have argued that these rules discourage work and marriage by imposing tighter eligibility requirements on two-parent families. All three states have eliminated or loosened these rules.[14]

- **Child support changes.** Under federal law, child support that is collected on behalf of children receiving AFDC is retained by the state as reimbursement for welfare costs; only the first $50 per month is "passed through" to the recipient as an incentive to cooperate with the child support enforcement process. Under this system, neither custodial nor noncustodial parents have a strong financial incentive to cooperate, because child support that is paid (after the first $50) does not increase the income available to the child. Vermont and Wisconsin have both changed these rules so that child support is paid directly to the family; the intention is to make the support payments more visible. However, there is

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[13]The size of a recipient's grant is reduced as his or her earned income rises. Since the 1960s, federal rules have required states to disregard a certain portion of recipients' earned income when calculating their grants. This policy was designed to create a work incentive by increasing the total income (AFDC plus earnings) of working recipients. Earned income disregards were sharply cut back in 1981; since then, recipients' benefits have been reduced by almost one dollar for each dollar of earnings after the first four months of work. More specifically, under current rules, the first $120 in earnings ($90 for work expenses, plus $30 as a work incentive), plus one-third of the remainder, is disregarded during the first four months of work. During months 5 to 12, only the first $120 is disregarded. After the one-year point, only the $90 work expense allowance is disregarded.

[14]Both Florida and Vermont have eliminated the eligibility requirements relating to work history and monthly hours worked. Wisconsin has eliminated the work hours rule for recipients, but this criterion is still used in determining initial eligibility for assistance.

no net financial gain to the family, because these payments are still counted against the AFDC grant after the first $50 per month.[15]

- **Food stamps cash-out.** In Wisconsin's program, food stamps are provided as cash rather than coupons. This change is designed to reduce the stigma associated with using food stamps and to give recipients' greater flexibility in using their benefits. Recipients who receive food stamps as cash must participate in a nutrition education program under which they learn such things as how to manage food dollars and prepare family food budgets.

- **Family cap.** In addition to these "positive" financial incentives, Wisconsin's program includes a "family cap" rule, under which a family's benefits are not increased for a child conceived while the mother is receiving welfare.

Mandates. All three states have imposed new requirements on recipients while they are receiving benefits. These mandates are designed to encourage behavior that is believed to promote self-sufficiency.

The most critical mandate involves the JOBS program. In theory, many AFDC recipients have been required to participate in JOBS since the program was created. However, states are only required to enforce this mandate to the extent that resources permit; in practice, the program has been largely voluntary in many areas.

Both Florida and Wisconsin have expanded JOBS participation requirements for recipients subject to time limits by narrowing the allowable exemptions, and both have expanded funding to facilitate these broader mandates. Wisconsin has made the most dramatic changes: In most cases, recipients must earn their cash benefits by participating in program activities. The number of required hours of participation is determined by dividing the WNW cash grant (including both AFDC and food stamps) by the minimum wage, and recipients' grants are reduced by $4.25 for each hour they miss without good cause. In general, education and training activities are limited to the first year; after that, recipients must take part in a work activity.

Participation in Vermont's JOBS program, Reach Up, has always been voluntary for single parents. This remains the case under WRP until two months before the time limit, when parents are required to participate in intensive job search. All pregnant and parenting minors, however, are required to participate in Reach Up under the time-limit program.[16]

In addition to JOBS participation mandates, the states have imposed other requirements. These include:

- **Learnfare.** In Florida, recipients with school-age children are required to provide proof that their children are attending school regularly, and to talk regularly with their children's teachers. Wisconsin has been operating a Learnfare program statewide since 1987.

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[15]Vermont has implemented a waiver provision that allows the first $50 per month in child support to be disregarded in calculating food stamp benefits. Normally, the $50 child support "pass-through" is counted as income and reduces a family's food stamp benefit amount.

[16]Participation by principal wage earners in unemployed two-parent cases has always been mandatory in Vermont's welfare-to-work programs; this policy continues under WRP.

- **Residency requirements for teen parents.** In Vermont, pregnant or parenting minors are required to live with their parents or in an approved, supervised living arrangement.

- **Immunization.** In Florida, AFDC applicants are required to provide proof that their preschool children have received necessary immunizations.

Services. All three states have expanded the availability of services for recipients subject to the time limits. These services fall into several categories:

- **Employment services.** All three states have expanded funding for the JOBS program and related support services in the areas where time limits are in effect. The expanded funding supports additional JOBS case management staff; additional slots in education, training, job search, and work activities; and child care and transportation assistance for JOBS participants. In addition, the states have expanded job development efforts and are using a variety of methods to identify jobs for participants. For example, Wisconsin has created Community Steering Committees in each county, in part to involve local employers and target job openings for WNW participants.

- **Case management.** In addition to expanded JOBS staffing, both Florida and Wisconsin have provided additional funding for case managers to work with participants in the time-limit programs.

- **Transitional benefits.** FSA required states to provide transitional child care assistance and Medicaid coverage for one year to individuals who leave welfare for work. Florida and Vermont have both expanded these benefits, while Wisconsin has simplified their administration. In addition, Florida has created a new Bootstrap Training Program that allows recipients to obtain education or training services after leaving welfare for work.

- **Other services.** The states are providing a variety of other services in conjunction with the time limits. For example, Wisconsin has assigned social workers to WNW, and Florida has placed on-site health clinics in FTP offices.

Budgetary Implications

Time-limited welfare seems to imply budget savings: If AFDC recipients are removed from the rolls faster than they would otherwise have left, spending on grants is bound to be lower. While this may be true in the long run, all three of the states featured in this study expect their programs to generate significant net costs in the short run. None of the states is relying on the time limit alone to produce the necessary changes in welfare receipt patterns; almost all of the incentives, mandates, and services discussed in the previous section add costs. Enhanced earnings disregards make some working families eligible for AFDC who would otherwise be ineligible; expanded case management, JOBS services, and transitional benefits each entail substantial costs. Even mandates can be costly: Staff time and information systems are required to monitor participation and enforce sanctions. Although many of these costs are constrained by the time limit — people can only get most of the enhanced services while they receive AFDC — they can still be considerable.

Florida's program, which provides a particularly extensive set of services and incentives,

provides a good example of the costs and savings involved in one version of time-limited welfare. According to the state's initial federal waiver application (which did not include a post-time-limit transitional employment program), FTP was projected to produce net savings of about $2 million over five years. This figure included gross savings of $94 million, mostly in reduced AFDC costs generated by the time limit, and new costs of about $92 million. The major additional costs were for child care ($33 million), JOBS and case management staff ($14 million), expanded earnings disregards ($12 million), support services such as transportation assistance and training materials ($10 million), and expanded eligibility for two-parent families ($7 million). As might be expected, many of the costs are projected to occur early in the project and the savings to come later, when recipients begin reaching the time limits. The program is projected to incur net costs of $13 million and $14 million, respectively, in the first two years of implementation, but in the fifth year, the state projects net savings of more than $20 million.

The same general pattern — though on a smaller scale — is evident in the Wisconsin program, which is projected to save more than $10 million during the first seven years. The program is expected to incur about $4 million in net costs during the first three years, primarily for expanded JOBS services, transitional benefits for recipients leaving welfare, and increased case management staff. This is a substantial initial investment when one considers the base: Total combined expenditures for AFDC, JOBS, child care, and the other relevant programs in the two pilot counties would have been about $13.8 million per year in the absence of WNW.[17]

The situation is somewhat different in Vermont for two main reasons. First, the statewide scope of the program constrains the size of up-front investments; it is unclear whether the level of increased spending projected for Florida and Wisconsin could be sustained in a statewide program.[18]

Second, the state of Vermont will provide community service jobs for recipients who reach the time limit and cannot find an unsubsidized job. This means costs may increase in the long run as well as the short run; child care and other costs associated with the community service employment program are likely to exceed the costs of providing AFDC to nonworking recipients (unless the work requirement promotes a large exodus from the AFDC rolls before the time limit). The same dynamic could hold true in Florida if it operates a large transitional employment program.

Thus, Vermont's program is expected to incur net costs of about $2 million per year during each of the first five years. Over this period, however, the content of spending is projected to change. For example, spending on AFDC benefits is expected to decline, while spending on child care for parents who are working is expected to increase.

Officials in all three states are conscious of the increased costs associated with their programs and see them as a worthwhile investment. The governor of Wisconsin put it this way:

Getting people to work, getting them off of welfare, taking care of the children and

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[17]The estimates for both Florida and Wisconsin include either implicit or explicit assumptions regarding the number of recipients who will be granted extensions to the time limits. If this number is larger than expected, the savings will shrink considerably.

[18]Florida's initial pilot counties comprise less than 5 percent of the total state AFDC caseload (and, within each county, half of the eligible recipients are assigned to a control group that is not subject to the time limit); Wisconsin's pilot counties comprise less than 2 percent of the state caseload. As noted earlier, in Vermont, 60 percent of the statewide eligible caseload is subject to the time-limit program, and another 20 percent receives enhanced services and incentives without time limits.

transportation, getting training in . . . it costs more at the beginning, but the long-range objective and the long-range prognosis is that it will save money for the taxpayers, both state and federal.

In Florida and Vermont, the increased spending is clearly linked to the presence of the time limit, which is expected to dramatically reduce future costs. One Florida administrator said the state legislature would probably not have approved the up-front spending without the time limit, which was perceived as a strategy for ensuring long-term savings.

In Vermont, where no savings may be generated in the near future, officials felt that the public would be willing to spend somewhat more on the welfare system as long as the increased spending went for child care, wages for recipients in community service positions, and similar purposes, rather than for cash payments to nonworking recipients.

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In sum, the program models developed by administrators and elected officials in Florida, Vermont, and Wisconsin suggest that time-limited welfare is neither simple nor monolithic. On the one hand, the three states have developed fundamentally different visions of the time-limit concept, reflecting their different goals and priorities. On the other hand, all three have designed policies that recognize that not all AFDC recipients will be able to become self-sufficient in the allotted period. Moreover, all three states have implemented, along with time limits, an array of services and mandates designed to help recipients prepare for and find jobs. These policies will generate increased costs, at least in the short term, but they are seen as a necessary investment to reduce the number of people who reach the time limits.

Part III:
Implementation Challenges

Chapter 4

Laying the Foundation

Part III of this report, encompassing Chapters 4, 5, and 6, examines some of the key issues that have emerged in implementing the Florida, Vermont, and Wisconsin time-limit programs. As might be expected, many of the issues discussed in these chapters – such as bolstering employment services and strengthening case management – do not involve the time limit per se. Rather, they pertain to the supplementary policies, discussed in Chapter 3, that have been implemented along with the time limits to help recipients prepare for and find jobs. In the short run, before any recipients have reached the time limits, these policies are bound to present the major implementation challenges. The presence of the time limit "raises the stakes" and increases the pressure on states to implement the policies quickly and effectively.

This chapter examines the planning and start-up of the three time-limit programs, focusing special attention on computerized management information systems (MIS), which played a key role. Time-limited welfare places heavy demands on these systems and, in turn, the systems can dramatically affect the day-to-day operations of a time-limit program.

Any complex welfare reform initiative is bound to have start-up problems; even the most skilled planners cannot possibly anticipate or prevent all of them. However, start-up problems that would normally cause only modest inconvenience take on special significance in the context of a time limit, when recipients' clocks are ticking. Scarce time slips away during each delay. Thus, it is unusually important to have a strong foundation in place when a time-limit program begins operating.

Planning and Start-Up

Given the high cost of start-up problems in a time-limit program, all three states took steps to reduce their severity and consequences – with varying degrees of success.

Pre-Operational Planning

All three of the time-limit programs required a broad set of changes in the welfare system. Changes of this magnitude, affecting relatively large numbers of staff and recipients, represent a major planning challenge. Planning for the time-limit programs involved not only issues that are common to any new program – developing new policies and procedures, hiring and training staff, negotiating contracts, obtaining office space and equipment – but also a number of tasks that reflect the unusually broad and far-reaching nature of these reforms. For example, as will be discussed in Chapter 5, the states have attempted to alter the day-to-day mission and message of the welfare system by making major changes in intake procedures, staffing patterns, and staff responsibilities. In addition, all three states have attempted to mobilize broad community participation in the reforms. In Wisconsin and Florida, these efforts are institutionalized at the local level: As noted in Chapter 3, each of the Wisconsin counties has established a Community Steering Committee to provide support and advice and help persuade local employers to hire program participants. In Florida, Review Panels consisting of community representatives periodically review cases of noncompliance with program rules, and will eventually consider requests for time-limit extensions. In Vermont, a Welfare Reform Advisory Group comprising legislators, community-based agencies, recipients, and program staff provides a vehicle for obtaining feedback on the program from communities throughout the state.

Both Vermont and Wisconsin had relatively lengthy planning periods before enrolling the first participants. In Wisconsin, more than a year of planning took place between November 1993, when the state's federal waiver was approved, and January 1995, when the first participant was enrolled into WNW. In Vermont, the period between the waiver approval (April 1993) and the beginning of operations (July 1994) was about the same – just over one year – although, as discussed in Chapter 2, the key elements of WRP had emerged in March 1992 after a lengthy and thorough review of the state's AFDC system. Thus, while the legislation authorizing WRP did not pass until January 1994, about six months before the program began operating, much of the initial groundwork had already been laid.

Florida's planning process was the shortest of the three. The legislation authorizing FTP required the welfare agency to begin to implement the program "as soon as possible but no later than three months after it receives federal waiver approval and sufficient funds." The legislation was signed by the governor in April 1993, the pilot counties were selected in November of that year, and federal waivers were granted in January 1994. The first participants were enrolled in February, less than one month later. As will be discussed below, this compressed process contributed to start-up problems in one of the pilot counties.

Phase-in Strategies

Once the programs began operating, the states used several strategies to try to control the magnitude and consequences of start-up problems. For example, they implemented the programs in a staged manner, delaying components that did not need to be in place on day one, controlled the flow of recipients into the program, and established monitoring and feedback mechanisms to quickly identify problems.

A staged implementation strategy was particularly important in Vermont, where the time-limit program was being implemented statewide. During the planning period, administrators focused primarily on elements of the program that had to be in place immediately, such as the changes in MIS needed to implement the new welfare eligibility rules. Other components were intentionally delayed (see box, below). This strategy allowed the state to get the program up and running relatively quickly.

All three states also took steps to control the flow of participants into their programs in the early months. The new rules were applied to all new applicants for AFDC beginning on the first day of program operations, but were not immediately applied to all existing recipients. Wisconsin, with the smallest eligible population, phased in its recipient population most quickly: Recipients were brought into the program at the time of their eligibility reviews; because these occur twice a year, it took about six months to phase in everyone.

Florida and Vermont also enrolled recipients during eligibility reviews. However, in both states, only a portion of the recipients who showed up for these reviews were brought into the program initially. For example, in Florida, only recipients whose social security numbers ended with specific digits were enrolled into FTP; the others completed their review and remained subject to normal AFDC rules. Vermont's recipient population was phased in over a one-year period, and Florida's recipient phase-in was still ongoing when this report was written.[1]

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[1]In both Florida and Vermont, eligible applicants and recipients go through a random assignment process. Those assigned to the program group(s) become subject to the new rules, while those assigned to the control group remain subject to normal AFDC rules. Under the phase-in procedures used in both states, only a

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Vermont: A Coordinated Start-Up Plan

The roots of Vermont's Welfare Restructuring Project (WRP) can be traced to a broad-based review of the state's AFDC program, which was completed in early 1992. As part of the state's effort to address the problems it found in the review, general planning for a time-limit program began. The planning and start-up process had several important features:

- It was broad-based and consensus-building, and included input from local welfare office managers and staff, other state agencies, welfare recipients, and community groups. WRP senior managers believe this open and inclusive process helped build support for the program. Commenting on the value of broad-based planning, one senior manager said, "Our approach was usually top down. This was different – it created a spirit of unity . . . like we were all working from the same score together."

- It was implemented in stages to keep it manageable. The first changes involved revising the regulations, procedures, and automated systems that affected the AFDC eligibility process, and distributing new materials to staff for use in explaining the rules to recipients. These steps had been taken and the new system was in place when the first recipients entered the program in July 1994. Other changes could be implemented as they were needed.

- Further planning, which took place after recipients had entered the program, focused on what will happen after they reach the time limit. Regulations for determining the post-time-limit work requirements were issued in late 1994, and related changes in automated systems were scheduled for and completed in the summer of 1995. At the same time, administrators were planning ways to strengthen the employment focus of the JOBS program and to implement the post-time-limit community service employment program.

A gradual phase-in of the existing caseload has three main benefits. First, any start-up problems that emerge tend to affect fewer people. Second, a phase-in avoids a large influx of participants, which in itself can create or intensify start-up problems by placing heavy demands on staff and systems that are not fully developed. Third, the recipient population (as opposed to applicants) includes a disproportionate number of long-term recipients who probably face more serious barriers to employment; enrolling this group slowly gives staff more time to address these issues.

Finally, the states have developed processes to identify start-up problems and develop solutions quickly. State or central-office managers monitor the programs' implementation by spending time on site and meeting frequently with local managers and line staff.[2] In Wisconsin, a state program

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[1](...continued)
fraction of recipients went through random assignment each month. Those who were not randomly assigned remained subject to the normal AFDC rules.

[2]Vermont and Florida have state-administered AFDC programs; thus, all staff are state employees. Staff from the administrative offices are sometimes referred to as central office staff. Wisconsin's AFDC program is state-supervised and county-administered.

manager is permanently stationed in each of the pilot counties to play this role. State officials reported that this is a new strategy, implemented in recognition of the unusually broad and far-reaching nature of the reform and the pressure imposed by the time limit.

Adapting Management Information Systems

The welfare system is a high-volume operation that depends heavily on computerized MIS. Staff use computers in nearly every aspect of their jobs, including calculating and issuing benefits, generating appointment letters, and tracking recipients' participation in education and training activities. Managers depend on computer systems to produce statistical reports on payment errors, aggregate JOBS participation patterns, and nearly every other aspect of program operations. Ultimately, the day-to-day lives of line staff and managers in the welfare system may be affected more dramatically by the quality of computer systems than by any other single factor.

Time-limited welfare places heavy demands on MIS. Some of the key challenges include:

- **Tracking the time limit.** Staff and participants must have up-to-date, readily accessible information about how many months remain on each participant's time clock in order to reinforce the time-limit message and plan adequately for the transition from welfare to work.

- **Implementing eligibility changes.** Computer systems determine eligibility for welfare and calculate monthly grants, based on input from staff. Thus, systems must be revised to reflect all of the changes in eligibility rules described in Chapter 3 – enhanced earnings disregards, increased asset limits, new rules for two-parent families, etc.

- **Tracking JOBS participation.** A time limit magnifies the importance of tight tracking and rapid responses to noncompliance with JOBS mandates. Moreover, new approaches, such as Wisconsin's pay-for-performance system and Florida's school conference mandate (discussed in Chapter 3), require new information systems.

Although all of the states have statewide welfare computer systems, these systems are limited in many respects and none was equipped initially to manage the demands imposed by time-limited welfare. State data systems are typically designed to handle current tasks, such as calculating welfare eligibility and grant amounts. Historical data on people's previous AFDC receipt may be maintained for several years, but not in easily accessible form. Thus, for example, line staff may be able to access only the last few months of payment history via their computer terminals. Tracking time limits requires ready access to years of detailed data for thousands of current and past recipients, and sufficient capacity to process these data on a regular basis.

In addition, making major changes to large, complex data systems is often quite expensive and time-consuming, especially if they are designed to handle several public assistance programs with linked eligibility processes; changes in one program may ripple through the others. One Florida administrator pointed out that MIS often has a longer developmental cycle than programmatic innovations.

Beyond these generic issues, the states' models pose special MIS challenges. For example, as discussed in Chapter 3, the states' time-limit policies include various types of exemptions; thus, the

computer system must "know" that some months of AFDC receipt do not count toward the limit. In addition, in Vermont, a centralized payment system will eventually be developed for participants in community service employment positions. These participants will receive two checks: a paycheck for hours actually worked, and a welfare check that will cover the difference between the paycheck and the grant amount.[3]

Given these complexities, it is not surprising that data-related issues have consumed large amounts of time and energy in all states in the early implementation period. Vermont, which is implementing its program statewide, had little choice but to adapt its statewide computer system to handle the new policies. Wisconsin developed a special WNW subsystem within its larger statewide MIS. Florida decided not to adapt its statewide system for FTP; the system is highly complex and covers several public assistance programs, and FTP is a relatively small pilot project. Instead, staff in the pilot counties developed a personal computer-based Local Area Network specifically for FTP. As discussed below, in both Florida and Wisconsin, computerized data systems for the time-limit programs were not in place when the programs began operating.

The States' Start-Up Experiences

The start-up period was hectic in all three states. Not surprisingly, staff reported some initial confusion about policies and procedures. However, the magnitude and nature of the problems differed from state to state and even across sites within the states. As might be expected given the earlier discussion, MIS issues played an important role in all three states.

The start-up period was relatively smooth in Vermont. As noted earlier, the state decided to fully automate the key welfare reform changes before program operations began. The automation effort was quite successful: The basic system changes had been made at the time of implementation, and the system was operating efficiently within a short period of time. More ambitious enhancements are being phased in as needed. For example, the time-limit tracking currently in place is relatively simple: The date when the time limit will take effect is calculated by the system when initial or ongoing AFDC eligibility is determined, and before each six-month review the system automatically generates a notice informing the recipient how much time remains before the limit. The system is being adapted further to perform the complex computations and tracking of credits and to send notices to recipients regarding the hours of the work requirement.

Wisconsin also had a relatively smooth start, although the program was hampered somewhat in the early months by the delay in implementing the new MIS developed for the WNW program. During this period, staff had to temporarily use manual procedures to implement several important changes, such as new benefit determination procedures associated with the pay-for-performance JOBS model. The resulting paperwork burden, when combined with some predictable uncertainty about new policies and procedures, affected workers' views of the program as a whole. In interviews conducted almost four months after the program began operating (just before the automated MIS was operational), most workers focused not on the content of the WNW policies or the time limit itself – which they generally supported – but rather on the heavy workload and uncertainty about program policies. One worker's comment captured a common view: "I'm on board with the concept of the program, but the work is overwhelming. We're developing the policies ourselves as we go along.

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[3]When a parent does not work all of his or her scheduled hours, the AFDC check will not be increased in response to the lower income amount unless the parent applies for an adjustment and it is determined that the absence from work was for good cause.

I feel like we're out of control. I've always been very thorough and never forgot to do anything, but now it happens all the time."

Start-up problems were most apparent in Escambia County, Florida, the largest jurisdiction implementing time-limited welfare in the three states.[4] Because of the compressed planning period, several components of FTP were not in place when participants' time-limit clocks began to run. For example, there was no contract between the local welfare department and the JOBS program, which is run by a separate agency. In addition, FTP staff were housed in temporary quarters because office space and equipment were not ready. Some of these problems took several months to resolve. Thus, although the state controlled the flow of recipients into the program, a large number of people were enrolled before FTP was fully operational; for example, about 1,000 people entered the program before the JOBS component was fully staffed. As one local manager put it: "We were immediately confronting day-to-day operational issues before we'd had a chance to plan . . . We were designing, building, and transporting passengers on a bus while it was moving down the freeway."

As might be expected, MIS issues contributed to the problem. The Local Area Network described above was not operational during the first year of program operations, and many of the key tasks associated with the program's implementation, including tracking the time limit, were carried out manually by staff. In addition, staff had to follow specially designed procedures to work around the state data system to implement some FTP policies (such as enhanced earnings disregards) because that system is programmed to follow regular AFDC rules. As in Wisconsin, the lack of MIS capacity has had important implications for the workload facing staff, particularly those who perform AFDC eligibility functions. In interviews, these FTP staff consistently reported that FTP cases consumed substantially more time than normal AFDC cases, partly because the program's incentives may stimulate more work activity among clients, but primarily because the lack of automated support generates large amounts of paperwork that has to be processed manually. This results in less time for staff to spend on self-sufficiency-related activities.

Line staff felt that the program lost some credibility during this early period. Case managers reported that they tried to persuade recipients that FTP was not "business as usual," but the reality, in which some participants "fall through the cracks" because of insufficient staffing and tracking, contradicted these claims.

Two factors helped to insulate the other FTP pilot county, Alachua, from many of the difficulties that confronted Escambia County. First, start-up problems were much less serious there and the program was staffed more quickly. Second, the flow of participants entering the program was much slower, in large part because participation there is voluntary and only a fraction of eligible clients chose to enroll.

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All three states recognized that time limits raised the stakes, magnifying the need for a smooth start-up. However, their strategies to reduce the severity and consequences of start-up problems had varying degrees of success. Overall, the states' experiences point to the importance of sufficient advance planning — particularly in the MIS area — and gradual phase-in. A planned, staged approach is especially important if time-limit programs are to be implemented on a larger scale.

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[4]Vermont's total AFDC caseload is larger than Escambia County's. However, responsibility for Vermont's AFDC program is spread among 12 districts, none of which has as large an AFDC population as Escambia County.

Chapter 5

Changing the Message of Welfare

Time limits are designed to change behavior. By sending a clear message that welfare is temporary, all three states hope to motivate AFDC recipients to prepare for work, find jobs, and leave the rolls. If the time limits fail to achieve this result, and many people exhaust their allotted months, the policy will have difficulty meeting the multiple public expectations described in Chapter 1.

As discussed earlier, no one knows whether the time-limit strategy will work; the answer depends on the relative importance of various possible explanations for long-term welfare receipt. However, it seems apparent that clear communication is critical to implementing the strategy as well as possible: Recipients must understand and believe the new message.

The challenge is twofold: to provide a clear explanation of the new policies and their implications for recipients, and to ensure that recipients' subsequent interactions with the welfare system reinforce (or at least do not contradict) the initial message.

Explaining the New Rules

Recipients entering a time-limit program must receive two complementary messages. First, they must hear that welfare is temporary and understand how the time limits work. And second, they must understand what specific steps they can take in the short term to prepare for employment. Both of these points are critical, and both can be difficult to communicate.

Obstacles to Comprehension

Staff in the three states have used a variety of strategies to explain and reinforce the new rules, including one-on-one meetings between staff and recipients, group orientation sessions, and handouts, letters, and other written materials. Alachua County, Florida, which operates a voluntary time-limit program, prepared a video describing the program for potential recruits. Visits to local welfare offices suggest that the quality of these efforts has varied, as managers and staff have experimented with different strategies. In addition, interviews with line staff and supervisors in all three states have identified a number of specific obstacles to delivering a clear message:

- **Skepticism among recipients.** Staff in all three states report that some recipients simply do not believe that time limits will actually be imposed. Many staff report that this view is particularly prevalent among individuals who have received AFDC before and have witnessed previous welfare reforms.

- **Time horizons.** Even if recipients accept that the time limits are real, 24, 30, or 36 months may seem far in the future. In Vermont, where participation in the JOBS program is voluntary, staff report that many recipients say they will worry about the time limit "later." One staff member said the greatest challenge was "making clients really believe this is happening. Some of them are so caught up in the problems of the present that they don't think about needing to be starting something [i.e., a JOBS activity]."

- **Skepticism among staff.** The personal opinions of staff may either intentionally or unintentionally affect the way they present the new rules to recipients. Although most line staff who were interviewed expressed strong general support for the reforms, many also voiced specific concerns or doubts. For example, some workers in both Florida and Wisconsin thought the time limits were too rigid; they said they knew of seriously disadvantaged recipients who, in their view, are simply unable to become self-sufficient. In the words of one Wisconsin worker, "The time limit is not geared to individuals. Some of them have the desire to work, but don't have the emotional or mental capacity to support themselves." Several staff in Vermont said the reforms were not addressing what they saw as the real roots of the welfare problem; one worker said, "The jobs have to be out there and there's nothing the welfare office can do to affect that." In a weak economy, many staff doubted that the state could create enough community service jobs to accommodate everyone who needed them.

- **The grapevine.** Staff report that heated national and state debates about welfare, which have received extensive media coverage, create "noise" and confuse many recipients. Staff say they spend a great deal of time correcting erroneous impressions recipients have picked up outside the welfare office.

- **Complex policies.** As discussed earlier, each state is implementing a host of new policies along with the time limits. The sheer number of changes that are occurring in each state and the complexity of each individual change can be confusing for staff. Although each state has provided at least some special training to staff, many workers have been uncertain about specific elements of the new policies.

There are no easy solutions to these problems. Overall, staff have learned that it is necessary to deliver information in a variety of forms, and to repeat it frequently. In addition, because the time limits may seem far away, it is important to focus on concrete services and incentives that are available in the short term to help recipients prepare for employment (the JOBS participation mandates in Florida and Wisconsin are intended to reinforce this message). Finally, the complexity of the policies suggests a clear need for ongoing staff training.

Skepticism and ambivalence among staff are more difficult to address, but clear guidelines from management about the specific information that should be given to recipients and close supervisory monitoring of this process may help minimize the extent to which staff attitudes hinder effective communication.

How Are the Time Limits Presented to Recipients?

In presenting the time limit, welfare agencies clearly want recipients to understand and appreciate the seriousness of the policy. At the same time, however, staff report that they have tried to avoid frightening recipients. In addition, as noted earlier, it is critical to focus on the immediate next steps — strategies for translating the general sense of urgency into a concrete plan of action.

These conflicting goals typically lead to presentations that accentuate the positive: They present the outlines of the time limit policy, but focus more detailed attention on the services, mandates, and incentives that have been implemented along with it. Thus, for example, an important early message

in Vermont is that the earnings disregard rules have been changed to make work pay. (See box, below.) In Florida and Wisconsin, there is a strong early focus on both the opportunities and obligations associated with the JOBS program. This general message was captured by the leader of an orientation session in Wisconsin: After describing the time limit policy, he told clients, "Don't be afraid of this program. We see it as two years of opportunity, not two years of punishment. We know the last thing people want is a poverty wage on AFDC."

Vermont: Marketing Work Incentives

To supplement its time-limit program, Vermont has changed the AFDC "earnings disregard" (the amount of income that will not be counted when the AFDC grant is calculated) and other rules to reward recipients who have earned income. If these work incentives are to affect recipients' behavior, they must be explained and "sold" by AFDC eligibility workers. This new job responsibility was promoted in several ways:

- All eligibility workers received training that helped them understand the new budgeting rules and how they should be explained and marketed to recipients. To gain their support, eligibility staff were asked to help develop and design the orientation scripts, posters, and handouts that are used to market the work incentives.

- Several workload reductions were introduced for eligibility staff to give them enough time to handle their new responsibilities. Most importantly, management relaxed the time-consuming requirement that AFDC recipients who work must file detailed reports of earnings each month. The change signaled to staff and recipients that the balance between promoting work and self-sufficiency and pursuing virtually error-free benefit-accuracy standards had shifted toward the former and away from the latter.

- Even with somewhat reduced workloads, eligibility workers are not always able to devote sufficient time to explaining work incentives. To compensate, information is provided to recipients in a variety of forms — group orientations, individual interviews, handouts, posters — and is repeated frequently. Presentation materials are also refined and revised based on feedback from line staff and management in the field.

Several other factors may lead staff to deemphasize the details of the time-limit policies in their up-front presentations. First, focusing on the specifics of the time-limit policy — for example, what will happen to people who reach the limit — implies that recipients are likely to reach that point. The states have preferred to send a message that they expect to help recipients leave welfare long before they reach the time limit. Second, as noted earlier, the states typically implemented their programs in stages, delaying portions that were not immediately relevant; thus, some of the specifics of the time-limit policies had not been determined when the programs began operating. This was particularly true in Vermont and Florida, where complex post-time-limit work programs are likely to exist.[1] Third, all of the states have developed procedures to reinforce the time-limit message at eligibility reviews

[1] The specific choices in designing these work programs will be the topic of a future report in this series.

and other ongoing contacts with recipients; the details can be filled in later if and when they become more relevant.

Finally, it seems clear that a certain amount of ambiguity may be useful to the states. Many of the specific details of the time-limit policies involve exceptions that can prevent assistance from being terminated — extension criteria or, in Florida, the possibility of a public job. Focusing too much attention on these policies may create the impression that the time limit is not firm, thereby weakening its impact on recipients' behavior. In other words, it may be advantageous to downplay opportunities for exceptions and focus on the fact that benefits may be terminated at the time limit.

One could argue that this ambiguity is necessarily unique to the early implementation period. Recipients will eventually find out what actually happens to people who reach the time limit. However, as discussed in Chapter 3, both Florida and Wisconsin have designed time-limit extension policies that allow for substantial case-by-case discretion; the same is true of Florida's policy for providing jobs after the time limit. These rules may allow the states to continue to assist some parents after the time limit without creating the impression that anyone is *entitled* to such assistance. Thus, the ambiguity — and the pressure to get off welfare — may be maintained. However, as discussed in Chapter 3, the states' discretionary policies may be difficult to implement.

What Are Recipients Hearing?

As noted in Chapter 1, MDRC has conducted small-scale telephone surveys of individuals in the Florida and Vermont time-limit programs.[2] These surveys, which were conducted two to three months after recipients entered the programs, were designed in part to assess the extent to which respondents understood the new welfare rules that apply to them.

Table 5.1 presents the reactions to several statements presented to recipients in Vermont and Escambia County, Florida,[3] about the new policies. When asked whether the statements applied to them under the new welfare rules, respondents answered yes or no.[4] The results suggest that the broad message about time limits is being conveyed: The vast majority of respondents in Escambia County, and nearly all of those in Vermont, knew they were subject to a time limit.[5] In Florida, large proportions also knew they were required to participate in Project Independence (Florida's JOBS

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[2]A survey has not yet been conducted in Wisconsin because that program began operating later than the others.

[3]Results for Alachua County, Florida, are not presented in this table because that county's voluntary time-limit model is not directly comparable to Escambia County or Vermont.

[4]More specifically, respondents were first asked this question with no prompting. After the respondent listed all the rules he or she was aware of, the interviewer listed a number of specific rule changes that had not been cited by the respondent, and asked whether each one applied. The figures shown in the table represent the sum of aided and unaided responses.

[5]It is possible that a small number of respondents in Escambia County were in fact not subject to the time limit. Although staff attempt to identify exempt recipients and screen them out of the random assignment process (in which case they would not have been part of the survey), some exempt clients "slip through"; their clocks start and the exemption is identified later. In other cases, an exemption may begin to apply sometime after a recipient enters FTP.

Table 5.1

Time-Limited Welfare: Percent of Recipients Aware of Specific Program Rules in Florida and Vermont

Program Rule	Escambia County, Florida (% Aware of Rule)	Vermont (% Aware of Rule)
I can keep more of my AFDC check if I go to work.	53	70
I can own a car with no limit on how much it is worth.	35	75
I can have more savings and still receive AFDC.	53	66
There is a time limit to how long I can receive AFDC.	84	98
Child support payments are sent to me instead of the welfare department.	n/a	51
I am required to talk with the teacher from my children's school during each grading period.	71	n/a
I am required to provide proof that my preschool children have been immunized.	78	n/a
I am required to participate in Project Independence (Florida's JOBS program) to get education, training, or help in finding a job.	86	n/a
Sample size	55	47

Source: MDRC surveys of Florida Family Transition Program and Vermont Welfare Restructuring Project participants.

Notes: Surveys were administered two to three months after participants entered the programs.

Respondents could give more than one response; therefore, distributions could add to more than 100 percent.

n/a indicates that the item is not applicable.

program), to talk with their children's teachers during each marking period, and to provide proof that their preschool children had been immunized.[6]

Knowledge of the changes in financial incentives was considerably less widespread, particularly in Escambia County, where only about half the respondents knew that enhanced earnings disregards and asset limits applied to them, and only about a third knew about the enhanced vehicle exclusion rules. This lack of knowledge may be related to the fact that some of the respondents were new applicants for AFDC and did not realize that the new rules represented a change from prior policies. In addition, staff may have deemphasized the changes in disregards in their initial presentations to clients. In interviews, some staff in Florida said they felt that the disregards sometimes worked at cross-purposes with the time limit. They reported that some recipients have gone to work almost full time in low-wage jobs and, because of the disregards, have retained eligibility for a partial AFDC grant. Staff were concerned that these individuals would exhaust their allotted months of eligibility without obtaining any services to prepare them for better-paying, more stable jobs, and staff clearly doubted that the recipients' current jobs would lead to better opportunities.[7]

The survey data also indicate that many respondents did not have detailed knowledge about the time limits. For example, Table 5.2 shows that many respondents in both states did not know the correct length of their time limit; in Vermont, only about one in five respondents from single-parent families gave the correct answer (30 months) when asked how long they would be allowed to receive AFDC without working.[8] Both states have developed strategies for repeating and reinforcing the time-limit policies.

Similarly, Table 5.3 shows that many respondents said they did not know or gave incorrect responses when asked what would happen to them at the time limit, particularly in Escambia County, Florida, where only a small fraction of respondents mentioned any type of work opportunity. In interviews, many line staff said they were uncertain what would happen at the time limit and simply told recipients their benefits could be canceled.

To some extent, this may reflect the sort of "calculated ambiguity" described earlier. Florida officials reported that they have not widely publicized the fact that some recipients will be offered work opportunities at the time limit; they feel that this information could weaken the time limit's ability to generate behavioral change. As noted earlier, the post-time-limit policy may become clearer after recipients begin to reach the limit, but even then, it may be apparent that each case will be considered separately and that no one is guaranteed to receive a job. (Indeed, at about the time the survey was administered, central office staff provided written clarification of the work opportunity policy to line staff in one of the FTP pilot counties. The memorandum stressed that work opportunities would be provided only to recipients who had "played by the rules" but were unable to find jobs.)

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[6]One would not expect knowledge of the immunization and school conference mandates to be universal. The immunization requirement applies only to applicants with preschool children, while the school conference requirement applies only to applicants and recipients with schoolage children.

[7]Expanded disregards operate somewhat differently in Vermont, where parents can continue to receive partial AFDC grants — and benefit from the disregard — after the time limit.

[8]It is also interesting to note that almost one in five respondents from the control group in Vermont said they would be allowed to receive AFDC for two years without working, even though this group is not subject to a time limit. Although the sample size is very small, this may reflect the influence of media coverage of the national welfare reform debate, which has popularized the phrase "two years and out."

Table 5.2

Time-Limited Welfare: Recipients' Perceptions of the Length of the Time Limit in Florida and Vermont

	Vermont		
	Single-Parent Families in Time-Limited Group (%)	Two-Parent Families in Time-Limited Group (%)	Single-Parent Families in Control Group[a] (%)
How long can you receive AFDC benefits without working?			
15 months	7	0	0
30 months	22	0	0
Two years	13	11	17
Another amount	24	33	0
No time limit	0	0	25
Other/don't know	35	56	58
Sample size	46	9	12

	Escambia County, Florida (%)
	Recipients in Time-Limit Group
For how many months can you receive an AFDC check?	
Less than 24 months	9
24 months	47
36 months	20
Other/don't know	22
No answer	2
Sample size	55

Source: MDRC surveys of Florida Family Transition Program and Vermont Welfare Restructuring Project participants, and control group members in Vermont.

Notes: Surveys were administered two to three months after inividuals entered the programs or were assigned to the control group.

Distributions may not add to 100 percent because of rounding.

In Vermont, time limits are 30 months for single-parent families and 15 months for two-parent families; in Florida, time limits are either 24 or 36 months, depending on client characteristics.

[a]Control group members are not subject to a time limit.

Table 5.3

Time-Limited Welfare: Recipients' Perceptions of the Consequences of the Time Limit in Florida and Vermont

	Escambia County, Florida
What will happen if you reach the time limit? (%)	
I will be required to get a job	7
I will get help finding a job	7
I plan to be working	18
My check could/will be canceled or reduced	53
Other/don't know	29
Sample size	55
	Vermont
What will happen if you reach the time limit and you haven't gotten a job yet? (%)	
I will get help finding a job	9
I will get a community service job	28
My grant will be cut or reduced	17
I will have to enter a training program	11
Other/don't know	43
Sample size	54

Source: MDRC surveys of Florida Family Transition Program and Vermont Welfare Restructuring Project participants.

Notes: Surveys were administered two to three months after participants entered the programs.

Respondents could give more than one response; therefore, distributions could add to more than 100 percent.

Table 5.4 presents respondents' answers to the question, "How long do you expect to receive AFDC?" In Vermont, about twice as many respondents in the time-limit group as in the control group said they thought they would be off AFDC within one year. Although the sample sizes are small, this response suggests that the time limits may be having the desired effect of getting recipients to begin to plan to leave welfare earlier. Surprisingly, in both Florida counties, the proportion of respondents who said they expect to be off AFDC within one year was substantially larger for the *control* group (individuals who are not subject to a time limit); program group members were much more likely to say it would take them one to two or two to three years to leave welfare. Again, the sample sizes for these questions are small, but this response may reflect the fact that some program group members have adopted the time limits (which are either 24 or 36 months in Florida) as their personal time frame for leaving welfare, rather than seeking to get off sooner. It also may reflect the fact that a greater proportion of program group members have entered education or training activities that are scheduled to last more than one year.

Finally, responses to a series of specific questions about the time limit, asked only in Florida, suggest that many recipients have become aware of the increased importance of finding work. Table 5.5 shows that more than three-fourths of the respondents said the time limit makes them more likely to work, look for work, and get education and training. A somewhat smaller proportion, but still a majority, said it makes them more likely to seek child support. Despite these efforts, however, 40 percent of respondents said they think it is either very likely or somewhat likely that they will reach the time limit without finding a job. An even larger proportion, three-fourths, said they were very concerned or somewhat concerned about being able to support their families after the time limit. This suggests that at least some respondents think they will find work before the time limit, but will still have trouble supporting their families without AFDC, perhaps reflecting the quality and stability of the jobs they think they can obtain.

Changing the Day-to-Day Focus of the Welfare System

Explaining the new rules is only the first step in transmitting the new time-limit message. State administrators in all three states also see a need to reinforce this message by changing the day-to-day operation of the welfare system. Despite the sharp differences in their goals and approaches to time-limited welfare, officials in all three states used similar language in describing the desired changes in organizational culture and the message the system sends to recipients. Put simply, they all want the system to focus more on self-sufficiency and less on income support in its day-to-day interactions with recipients.

Administrators see a close link between the desired changes in the message communicated to recipients and the time limits. On the one hand, they see a self-sufficiency message as a critical tool in the broader effort to change recipients' behavior and maximize the odds that they will leave welfare before reaching the time limits; as noted in the previous section, the time limit may seem far away for many recipients, so day-to-day messages may be vital to reinforcing its message. On the other hand, the administrators see the time limit as a tool for stimulating change within the welfare bureaucracy. Nonetheless, it is worth noting that many of the states' strategies to change the welfare message can, and have, been implemented in the absence of time limits.

The states' strategies for altering the system's message are multifaceted. For example, Chapter 6 discusses their efforts to reorient the JOBS program. Described below are strategies for infusing a self-sufficiency-oriented message into the welfare eligibility process — the key locus of interaction between recipients and the system.

Table 5.4

Time-Limited Welfare: Florida and Vermont
Recipients' Expectations About How Long They Will Receive AFDC

	Florida (%)				Vermont (%)	
	Escambia County		Alachua County			
	Time-Limited Group	Control Group	Time-Limited Group	Control Group	Time-Limited Group	Control Group
Already Off	7	8	13	7	5	6
Less than 1 year	44	65	13	39	56	29
Between 1 and 2 years	31	19	63	32	13	41
Between 2 and 3 years	9	0	13	4	5	18
At least 3 years	5	8	0	14	7	0
Don't know/no answer	4	0	0	4	13	6
Sample size	55	26	8	28	55	17

Source: MDRC surveys of Florida Family Transition Program and Vermont Welfare Restructuring Project participants and control group members.

Notes: Surveys were administered two to three months after individuals entered the programs or were assigned to the control group.

Distributions may not add to 100 percent because of rounding.

In Vermont, time limits are 30 months for single-parent families and 15 months for two-parent families; in Florida, they are either 24 or 36 months, depending on client characteristics.

Table 5.5

Time-Limited Welfare: Recipients' Expectations in Escambia County, Florida

How likely do you think it is that you will reach the time limit without finding a job? (%)	
Very likely	15
Somewhat likely	25
Not very likely	55
Don't know/no answer	5
How concerned are you about being able to support your family after the time limit? (%)	
Very concerned	60
Somewhat concerned	15
Not very concerned	20
Don't know/no answer	5
Does the time limit make you more likely to do any of the following things now?[a] (%)	
Work part time or full time	80
Look for a job or get help in finding a job	78
Get education or training	76
Get child support	60
Sample size	55

Source: MDRC survey of Florida Family Transition Program participants in Escambia County, Florida.

Notes: The survey was administered approximately two months after participants entered the program or were assigned to the control group.

[a]Respondents could give more than one response; therefore, distributions could add to more than 100 percent.

The Welfare Eligibility Process

Normally, welfare eligibility workers[9] are the primary point of contact between recipients and the system. Eligibility workers' overriding objective — reinforced by staff evaluation criteria — has been to generate timely and accurate grants. This clearly defined mission, coupled with large caseload sizes of as many as 200 to 300 clients per staff person, typically means that workers have neither the time nor the inclination to talk to recipients about strategies for achieving self-sufficiency. In fact, in extreme situations, changes in recipients' behavior — including work — may be viewed as a nuisance because they require changes in the grant calculation. As one Vermont administrator described the traditional system: "The whole welfare administrative structure was by design focused on what clients need to do to keep their check coming. . . . Don't work, don't marry, and we won't have to worry about error rates."

Large worker caseloads and a pervasive emphasis on payment accuracy are understandable, given the public concern over governmental spending and "waste, fraud, and abuse." In addition, the concept of separate staff handling eligibility and service functions — two roles that were typically combined in a single staff position until the late 1960s and early 1970s — was supported by a diverse range of groups.[10]

In recent years, however, many policymakers and administrators have argued that the narrow focus on eligibility, along with the financial disincentives to work described in Chapter 3, sends an inappropriate, anti-self-sufficiency message to recipients and hinders efforts to reduce long-term welfare receipt. Some administrators argue that the culture of the eligibility process weakens the JOBS program by sending a contradictory message to recipients. Thus, efforts to change these messages were seen as important companions to the time limits.

The states have used several mutually reinforcing strategies to change the day-to-day welfare message. They have revamped the "front door" of the welfare system to change the initial message given to welfare applicants, and at the same time, have altered staffing patterns, staff responsibilities, and the physical layout of their programs to forge a tighter link between eligibility and self-sufficiency activities.

Changing the Front Door to the Welfare System

All three states have made efforts to change the message that applicants for assistance hear at the front door of the welfare system. The scope and nature of these efforts vary. For example, the initial orientation for new AFDC applicants in Vermont includes providing information on the JOBS program and the earned income tax credit (EITC),[11] and eligibility workers are required to discuss

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[9]The term *eligibility worker* is generic; these workers have different titles in each state. In Florida, they are called Public Assistance Specialists; in Vermont, they are called Eligibility Specialists; and in Wisconsin, they are called Economic Support Specialists.

[10]Some saw the separation as a way to keep social workers from meddling in recipients' lives, while others saw it as way to reduce social service spending by decreasing contact between social workers and recipients. In addition, some social workers supported separation because they felt that the service and eligibility roles were incompatible. For further discussion, see Bane and Ellwood, 1994.

[11]EITC is available to low-income working families with children, and to some very low-income childless workers. The credit is refundable, which means that if a family's credit exceeds their tax bill, the family receives a check from the federal government. EITC can affect the trade-off between welfare and work by

(continued...)

the time limit, self-sufficiency, and JOBS with recipients during one-on-one application and recertification interviews. In Escambia County, Florida, where eligibility and case management functions have been combined, the workers who conduct the initial AFDC eligibility interview are also charged with promoting self-sufficiency. In addition, JOBS workers and other members of the FTP team often make presentations at the initial orientation.

Wisconsin has made particularly dramatic changes in the up-front process. A key goal at this stage is to divert people from starting to receive cash assistance (and starting their time limit clock). For those who opt to receive assistance, the process is designed to move them quickly into JOBS activities (see box, below). Records maintained by program staff indicate that a large number of applicants and recipients have chosen not to receive benefits.[12] Staff have determined that some of these individuals have moved to other states or other counties in Wisconsin, others are living in the pilot counties and receiving only noncash assistance (e.g., food stamps and Medicaid), and others appear to be receiving no public assistance.

Wisconsin: Changing the "Front Door" of the Welfare System

The welfare intake process is typically focused on describing eligibility rules and determining which applicants qualify for benefits. The two pilot counties involved in Work Not Welfare are attempting to revamp this process by marketing *alternatives* to cash welfare and encouraging applicants *not* to begin receiving benefits. In Pierce County, this process has two main components:

- **Group orientation.** Applicants attend a group session that not only explains the time limit and other conditions for receiving assistance, but also provides information on alternative sources of income: child support, the earned income tax credit, food stamps, and, of course, work. JOBS staff attend the session, often bringing lists of specific job openings. In some instances, JOBS serves people who are not yet receiving assistance by providing payments for one-time expenses, such as car repairs, that will enable them to take a job.

- **Individual eligibility interview.** During these interviews, staff and applicants review the Work Not Welfare Agreement, a four-page document describing the program rules. Staff often work with applicants to determine whether it makes sense for them to start their time-limit clock by signing the contract. If other income is available, staff may urge applicants to conserve their months of eligibility for cash assistance.

In all three states, the new up-front message and the policy changes discussed in Chapter 3 are designed to be mutually reinforcing. For example, enhanced earnings disregards in Vermont and Florida make it more realistic for eligibility workers to urge recipients to go to work at least part time.

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[11](...continued)
substantially increasing the income of recipients who take low-wage jobs. Vermont and Wisconsin also have state EITCs.

[12]It is difficult to tell how many of these "diversions" are attributable to WNW, and how many would have occurred without the program. Under normal circumstances, many AFDC applicants choose not to complete their applications.

Some eligibility workers have reported that they feel more positive about marketing work for recipients in the time-limit programs, because they believe work will actually make recipients better off financially. Similarly, in Wisconsin, the time limit prompts eligibility workers to sell the benefits of not signing up for assistance, thereby saving scarce months of public assistance receipt for when they are needed most.

Organizational Changes to Reinforce the Self-Sufficiency Message

All three states have altered staff responsibilities, staffing patterns, or the physical location of services to tighten the link between eligibility functions and activities designed to promote self-sufficiency.

Expanded roles for eligibility workers. All three states now expect eligibility workers to focus more attention on self-sufficiency-related issues — for example, by marketing the JOBS program more aggressively. In a few locations, more substantial changes in staff responsibilities have been made, most notably in Escambia County, Florida, where eligibility and case management functions have been formally combined in a single staff position.[13] (See box, below.) Vermont minimized changes in the eligibility role initially, but eventually plans to give some eligibility workers responsibility (along with JOBS workers) for administering the community service employment component, operating job clubs, and providing case management services for some JOBS volunteers.

Integrating eligibility and service functions in the same staff position, an approach that was widely used until the 1970s, has both advantages and disadvantages. On the one hand, it may be the most direct way to ensure that recipients receive a message that is consistent and involves more than eligibility rules. In addition, interviews with line staff indicate that many eligibility workers who have become case managers enjoy the broader role. Finally, to the extent that financial incentives and penalties (e.g., sanctions for failure to comply with mandates) are used, combining functions may help to integrate these elements into the broader model; workers can impose sanctions directly, without having to coordinate with another office or staff person.

On the other hand, the expanded roles can be difficult for workers to handle. Many staff in Escambia County complained that they are unable to devote enough time to the case management side of their jobs; the need to issue timely and accurate grants almost always takes precedence over broader problem-solving activities. They pointed out that, while the evaluation criteria for case managers address both eligibility and case management activities, eligibility functions are inherently easier to assess. Staff also reported that FTP's eligibility-related changes (e.g., the enhanced earnings disregards), coupled with the lack of computer support discussed in Chapter 4, substantially increase the amount of time needed to process each case. Thus, even though their caseloads are much smaller than those of regular AFDC eligibility workers, some FTP case managers estimated that they spend 75 percent of their time on eligibility work. This leads to great frustration because staff strongly support FTP's goals and want to spend more time on the case management side of their job.

Interestingly, some Escambia case managers, echoing some of the arguments made in favor of separating the eligibility and service functions 25 years ago, suggested that their dual roles sometime create a conflict of interest. As one worker put it, "The stereotype [of an eligibility worker] is someone who is nagging you, trying to catch you. It's hard to build trust when you have to play that

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[13]Case managers are not responsible for administering the JOBS program. Each FTP participant is assigned to both a case manager and a separate JOBS worker. As discussed below, these two staff are paired to promote tighter coordination.

Florida: New Case Management Models

"Family-focused" case management is a central feature of the Family Transition Program (FTP); its primary goal is to shift the "message" of the welfare system from income support to self-sufficiency. Structural changes that have taken place to promote this goal include:

- In Escambia County (Pensacola), where AFDC eligibility workers have become case managers, caseloads have been reduced and staff are expected to handle both eligibility and self-sufficiency-related activities. Case managers work with participants to develop a Self-Sufficiency Plan detailing their goals, barriers to self-sufficiency, and the specific actions that will be taken by staff and the client to overcome the barriers.

- Both pilot counties have created case management teams. In Alachua County (Gainesville), each FTP participant is assigned to a team of three staff: an eligibility worker, a JOBS worker, and an FTP case manager. In Escambia, each participant is assigned to a team of two: a JOBS worker and a combined case manager/eligibility worker. These core teams are supplemented when necessary by child support enforcement, child care, and other staff. Team members' offices are clustered together, and they meet regularly to discuss specific cases.

- Both counties have brought a wide variety of services and staff under one roof to promote coordination. For example, the Alachua County FTP office houses the case management teams, a child support enforcement worker, a health clinic, job developers, marketing staff, a child care resource worker, and a mental health counselor, among others.

role." Some case managers said that while they had originally supported the idea of combined functions, they were beginning to have second thoughts after handling the position for a year or more.

Finally, it is clear that case management work is dramatically different from eligibility work. Florida staff reported that the necessity for judgment calls and the lack of "black and white" procedures for case managers sharply contrast with life as an eligibility worker. This was especially true during the early months of operations, when program policies and procedures were in flux. As one Escambia County supervisor put it: "At first, they [the case managers] thought there was a magic answer for everything in the manual. They had to get used to the fact that each case is different and is handled differently depending on the personality of the staff and the client."

While most staff said they enjoyed case management more than eligibility work, some were ambivalent. As one Escambia worker put it: "It can be very stressful. You don't really know what you're doing." Some staff also said they were unprepared for the seriousness of the problems facing clients, even though they had worked with welfare recipients for years. One worker said, "Downstairs [as an eligibility worker], you never really have time to talk to them. I thought a lot of them were just nasty until I got here [to FTP] and found out what they're dealing with." For many staff, these characteristics of the case management function highlighted the need for ongoing training in case management techniques.

In Vermont, where eligibility and case management functions are currently split, but may be combined to some extent in the future, eligibility workers had mixed reactions to the prospect that they might be asked to take on broader roles. Almost all staff responded positively to the new responsibilities they had for explaining and marketing welfare reform and promoting self-sufficiency, but some expressed reluctance to take on more case management responsibilities or were uncertain about it. These staff were satisfied with the basic structure of their current jobs and worried that it would be too difficult to reconcile the demands of being a good eligibility worker who focused on rules and accuracy with what they thought was the less structured and rule-bound world of case management. As one eligibility worker put it:

> I like to help my clients by getting them the right benefits on time and figuring out what benefits they will still get when they go to work; it's practical, limited help. Case management is different. It means getting personally involved with their lives. It could lead anywhere and that's scary.

Officials in Vermont are aware that an expanded case management role may not make sense for all eligibility staff; thus, only staff who show interest and affinity for this kind of work will be asked to take it on.

Case management teams. In many welfare programs, JOBS and eligibility staff do not share cases. For example, cases may be distributed to eligibility workers by case number and to JOBS workers alphabetically; this means the cases handled by a single eligibility worker may be scattered among a large number of JOBS workers (and vice versa). Eligibility workers and JOBS staff may have little ongoing contact with one another.

In both Florida and Wisconsin, eligibility workers have been paired with specific JOBS case managers. These two workers, along with child support and child care workers, form case management teams. The team members are located in close physical proximity to one another and are expected to communicate frequently about their shared caseloads. In some cases, positive developments such as job placements are credited to the entire team, rather than to an individual worker.

The team concept is a way to obtain some of the benefits of consolidating functions while maintaining the quality control benefits of specialized eligibility workers. Staff can develop close working relationships, deliver a consistent message to recipients, and reduce the number of cases that fall through the cracks. A Wisconsin administrator described the process this way:

> All the players on the team have one goal, and that's to make that client self-sufficient . . . each of them has a role in moving that person toward self-sufficiency. Before, a child support worker's goal was child support. An economic support worker's goal was to determine eligibility and give them the check on the first of the month. A JOBS worker was supposed to get them a job. But they weren't tying all of the goals together and working together to achieve a case management plan for that particular individual, or sharing information to achieve that goal.

Although most staff expressed positive views about the team approach — and said they worked smoothly with their teammates — closer interaction can also create tension. For example, in one of the Florida counties, teamwork appears to have exposed some differences in the organizational cultures of JOBS and FTP case management staff. Some FTP case managers referred to JOBS workers as "rigid" or "inflexible" and saw themselves as "willing to do what it takes" to help participants. In contrast, some JOBS staff described themselves as "focused" and suggested that FTP case managers

may be naive in dealing with participants. They also noted that, particularly in the early months of implementation, FTP case managers sometimes gave participants incorrect information about JOBS, which placed the JOBS workers in an uncomfortable position.

It is also clear that the same kinds of heavy workload issues discussed previously affect the ability of eligibility staff to function in a team environment. These issues are particularly likely to emerge in the early months of implementation, when policies are in flux and new procedures are unfamiliar to workers. One Wisconsin worker, interviewed just four months after WNW began operating, said, "We were told that we would get more involved with clients and in discussing options. But I have to leave that up to JOBS [staff] because I just don't have time. The clients think of you as their friend, but you don't have time to listen."

Co-location of services. In some cases, the states have tried to bring services into close physical proximity with the eligibility process. This is particularly important in Florida, where the legislation creating FTP stipulated that program services should be provided in one location to the greatest extent possible. The pilot FTP programs have made major strides toward this goal. Alachua County, for example, has created a "one-stop shop" for its FTP program housing the following staff:

- six case management teams;
- a child support enforcement worker assigned to FTP;
- a health clinic staffed by a Physician's Assistant and a nurse;
- job developers and marketing staff;
- a representative of the local Job Training Partnership Act (JTPA) program;[14] and
- a child care resource worker.

In addition, there are plans to add a mental health counselor and a life skills instructor.

Co-location is seen as an important way of reducing gaps between the various elements of the FTP program. This goal is important in a time-limited environment, where recipients cannot afford delays caused by poor interagency communication.

At the same time, bringing many staff and services together can involve complex negotiations among a range of bureaucracies and create major logistical challenges. In Escambia County, Florida, for example, the FTP offices were not available for use when the program began operating. Staff had to improvise with temporary office space. This was also true in Pierce County, Wisconsin, where new office space was needed to co-locate JOBS and eligibility workers in WNW.

Can Case Management Changes Make a Difference?

Despite the numerous challenges described above, the study has found indications that these kinds of case management changes can make a difference in the day-to-day experiences of welfare recipients. Table 5.6 shows additional results from the previously discussed Florida telephone survey, which involved both individuals who had been randomly selected for the FTP program and those who

[14]JTPA provides federal funding for employment and training services for economically disadvantaged youth, adults, and others. In many areas, JOBS participants take part in JTPA-funded training activities.

Table 5.6

Time-Limited Welfare: Recipients' Experiences with Welfare Staff in Two Florida Counties

	Escambia County		Alachua County	
	Time-Limited Group	Control Group	Time-Limited Group	Control Group
Average number of discussions with any case manager or welfare worker within the past 3 months	8	4	16	4
Ever, in past 3 months, had a discussion with a case manager or other welfare worker about:[a] (%)				
Employment/training	93	65	88	57
Mental health/counseling	51	4	38	11
Housing	44	12	75	18
Support services	89	62	88	32
Health care for client	69	58	50	36
Health care/immunization for client's child	93	62	50	29
Paternity establishment	44	19	25	11
Child support collections	55	46	50	21
Agree with the statement, "The welfare office/Family Transition Program staff are really interested in helping me improve my life." (%)				
Agree a lot	62	12	88	36
Agree a little	22	35	13	25
Disagree a little	5	31	0	21
Disagree a lot	7	23	0	18
No answer	4	0	0	0
Sample size	55	26	8	28

Source: MDRC survey of the Florida Family Transition Program participants and control group members.

Note: The survey was administered approximately two months after individuals entered the program or were assigned to the control group.

[a]Respondents could give more than one response; therefore, distributions could add to more than 100 percent.

had been randomly selected for a control group that is subject to the normal AFDC program rules. As the table shows, participants reported much more frequent contact with staff in their early months in FTP and said they were discussing a broader range of issues related to self-sufficiency. The answers to a general question that asked respondents whether they agreed with the statement, "The welfare office/FTP staff are really interested in helping me improve my life," are notable: FTP participants were much more likely to agree than control group members. The differences are particularly large in Alachua County, where FTP operates as a voluntary program; some staff contend that the need to recruit volunteers forces staff to work harder to help clients (workers in Alachua County also have smaller caseloads than their counterparts in Escambia County).

Although these results are striking, it is, of course, too early too say whether these positive day-to-day experiences will translate into fewer recipients reaching the time limits.

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This chapter illustrates that the challenge of implementing time-limited welfare is, to a large extent, one of communication. The philosopher's query about whether a tree falls in the forest if no one hears it applies well to time limits. In Florida, Vermont, and Wisconsin, time limits are intended to change recipients' behavior and encourage them to move toward self-sufficiency, not to cut them off welfare. For this to occur, recipients must understand both the limits themselves and the steps they can take in the short term to prepare for and find jobs. All three states are attempting to go beyond explaining the rules to transforming the organizational culture and day-to-day mission of the welfare system to focus on self-sufficiency. These communication tasks are difficult to accomplish while continuing to operate efficient and reasonably error-free welfare systems, and have been a major part of the early challenge facing the states.

Chapter 6

Strengthening Employment and Training Services

The Job Opportunities and Basic Skills Training (JOBS) Program is expected to play a central role in all three state time-limit programs by helping recipients prepare for and find employment before reaching the limit. All three states have expanded funding for JOBS as part of their time-limit programs. Moreover, all three have attempted to make important changes in the way JOBS operates.

JOBS and Time Limits

Although some have argued that time limits are needed in part because the JOBS program has not been successful enough, time limits have actually magnified the important of JOBS in all three states.[1] As discussed in earlier chapters, the best way to maximize the chances of success for a time-limit program is to minimize the number of recipients who reach the limit. This is true both for work-trigger models and for benefit termination models. While time limits are expected to stimulate dramatic changes in AFDC recipients' behavior, JOBS is seen as a critical tool for helping recipients translate this general motivation into concrete steps to prepare for and find jobs. One Florida administrator went so far as to say, "You cannot operate a successful time-limit program without providing employment preparation, assistance in job-finding, brokering for support services, [and other JOBS services]."

In principle, JOBS should mesh well with a time limit; both policies seek to encourage AFDC recipients to move into the labor force. Moreover, rigorous evaluations have shown that adequately funded, mandatory JOBS programs can move significant numbers of people off AFDC even in the absence of a time limit. But there are important questions about how JOBS should operate in the context of a time limit, and how well the two policies may actually mesh.

Different Strategies, Different Results

There is no uniform national JOBS model; states and localities tailor the program to fit their own goals, funding constraints, and organizational environments. In general, JOBS programs fall along a continuum depending on the extent to which they stress long-term education and training services versus activities such as job search assistance, which are designed to quickly move participants into jobs. Most programs include both types of activities.

Although a great deal is known about the effects of different JOBS strategies, it is difficult to say which approach makes the most sense in the context of a time limit. The broad parameters are apparent — JOBS must be designed to move participants into employment at some point before they reach the time limit — but the most effective way to spend the 24 or more months that are potentially available to most of them is not clear.

Some have argued that, given the obvious time pressure, a JOBS program operating in the context of a time limit should focus on moving participants into the labor force as quickly as possible. Proponents of this view maintain that entry-level jobs give recipients a "foot in the door" and can lead

[1] This chapter uses the term JOBS to refer in general to employment-related services currently funded in part through the federal JOBS program. The specific nature of these services varies from state to state.

to better jobs over time. In addition, any months that a recipient spends working and off welfare do not count toward the time limit. Others have maintained that, in a time-limited environment, JOBS should use the scarce available time to focus on human-capital-building education and training programs designed to prepare participants for higher-paying, more stable jobs that can keep them off welfare permanently.

Studies have found that job search activities, such as group job clubs, can get people into employment quickly and save taxpayers money. They have also found, however, that these activities do not get people into jobs that pay higher wages than they would have found on their own, and the activities have limited impacts for long-term recipients. Programs focused on getting people higher-wage jobs cost more to operate, but can increase job quality and may make a greater long-term difference in the earnings of some recipients. Programs that favor quick employment but also include some human-capital-development services can combine the benefits of both strategies: They can make people somewhat better off, save money, and change the employment behavior of some more disadvantaged recipients.[2]

It is also clear that program success depends on more than the service mix. The quality of implementation, management, and the message the program communicates to recipients is at least as important. The evidence strongly suggests that successful programs, no matter what service mix they use, emphasize to both staff and participants that employment is the ultimate program goal, and take steps to identify specific job openings and connect participants with them.

At the same time, it is also worth noting that none of the programs that have been evaluated to date were designed to operate within the framework of a time limit. All of them implicitly assumed that recipients would be able to fall back onto AFDC if they left welfare for work and subsequently lost their job.[3] The presence of a time limit may alter the way the results of JOBS evaluations are interpreted and it certainly increases the importance of finding the best strategy: JOBS must not only help people find jobs and leave welfare, but must also help them stay off welfare.

Realistic Expectations

Although JOBS is obviously critical to a time-limit program, it is important to add a few notes of caution about what JOBS is likely to achieve. As many critics have pointed out in recent years, there are large differences between the ideal vision of JOBS and the performance of the average JOBS program. In many areas, for example, JOBS reaches only a small fraction of the AFDC caseload in a typical month. This is attributable to a range of factors, including insufficient funding, personal barriers to participation (e.g., illness), exemption policies, administrative problems that prevent people from moving quickly into activities, and how participation is measured.[4] Moreover, it appears that many JOBS programs place only a limited emphasis on connecting participants with jobs or communicating a strong message that employment is the primary program goal.[5] They focus instead on increasing participation in activities, often in basic education programs.[6] In short, it seems likely

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[2]See Gueron, 1995.

[3]It is important to note that many time-limit models, including the Florida and Wisconsin programs, do not impose lifetime time limits: Individuals who reach the time limit may be allowed to return to welfare after a defined period of ineligibility. In other words, they do not have to remain off welfare permanently.

[4]For a fuller discussion of this issue, see Hamilton, 1995.

[5]See, for example, General Accounting Office, 1994.

[6]Federal performance standards for states focus on participation rates rather than outcomes such as job placements.

that most JOBS programs would need to be considerably strengthened and sharpened to support a time limit.

Second, the impacts generated by successful JOBS programs must be seen in context. For example, a recent study of three JOBS programs that stress activities leading to quick employment (primarily job club and job development services and some short-term basic education, as opposed to long-term education and training services) found that these programs generated a 16 percent reduction in the number of people receiving AFDC at the end of a two-year follow-up period — a substantial impact. Nevertheless, 57 percent of the individuals who had access to JOBS were still receiving AFDC at the two-year point (compared to 68 percent for a randomly selected control group of recipients who did not have access to JOBS.)[7] This relatively large figure suggests that time limits must significantly boost the impacts produced by highly mandatory, employment-focused JOBS programs if they are to achieve their multiple goals.

Expanding JOBS

The states featured in this study have taken two parallel steps to expand their JOBS programs. First, as discussed in Chapter 3, they have increased the number of people who are mandated to participate in the program. Second, they have raised the amount of funding devoted to JOBS and related support services in order to accommodate a larger number of participants.

Additional funding, however, is only the first step in expanding JOBS. The actual process of enlarging the program at the local level can be quite complicated, in part because, in many areas, JOBS operates via a set of contracts and subcontracts; the welfare agency does not administer the program directly.

For example, since 1992, Project Independence has been operated by the Florida Department of Labor and Employment Security (DLES) under contract to the state welfare agency, the Department of Health and Rehabilitative Services (HRS). At the local level, education and training services are typically provided by school districts, colleges, vocational schools, and other entities under subcontracts or other arrangements with the local Project Independence program.

As noted earlier, in Escambia County, Florida, negotiating a new agreement between the local welfare agency and the local DLES office to expand Project Independence took several months; a contract was not in place until five months after the first participants entered FTP. Several additional months elapsed before the local JOBS program was able to hire the full contingent of staff slated to work with FTP participants. Development of several of the new JOBS activities designed for FTP participants, many of which are operated under contract by colleges or other outside agencies was also delayed; some of these activities were not available to participants until more than a year after the FTP program began operating.

The key challenge in Vermont, where participation in the JOBS program, Reach Up, is voluntary for single parents, has been to persuade more AFDC recipients to enroll in the program.

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[7]Freedman and Friedlander, 1995. The 16 percent reduction is calculated by dividing the 11 percentage point difference between the two groups by the AFDC receipt rate for the control group (i.e., 11/68 = .16). It is important to note that some of the individuals who were receiving AFDC at the two-year point may have left welfare at some point during the prior two years and then returned. Thus, the figures do not indicate that 57 percent of the program group received AFDC continuously for two years.

As discussed in Chapter 5, administrators have asked AFDC eligibility workers to market Reach Up more aggressively to applicants and recipients at eligibility interviews and reviews. Staff report that while many recipients express initial interest in Reach Up, the number who actually show up at orientation sessions and subsequently participate in the program has been much smaller. Many of the state's welfare offices have not seen significant increases in Reach Up participation since the time-limit program began.

Discussions with staff and participants suggest that clients do not always absorb everything they hear during an AFDC application or review. A large amount of information is transmitted and many forms are signed; Reach Up is only a small part of the session. Also, as noted earlier, staff report that for many participants, the time limit seems too far away to affect their immediate behavior. The state is exploring other strategies to increase recruitment now in part to avoid a dramatic influx of people enrolling in Reach Up as they approach their time limits.

Finally, expanding JOBS requires increasing the availability of child care for program participants, an especially critical concern when participation mandates are extended to mothers with young children. This is another area where the JOBS program does not provide services directly, and must work with other agencies to stimulate an increase in service capacity.

Refocusing JOBS

In addition to expanding JOBS, all three states have concluded that the program must operate differently in the context of a time limit — and all three have taken steps to bring about the necessary changes.

Developing a Vision for JOBS

Ultimately, each of the states developed a fairly clear vision of how JOBS should operate in the context of their time-limit program. However, the process was complex, and the final version of each state's program differed widely.

In Vermont, Reach Up operates quite differently for two-parent and single-parent cases. The program for two-parent cases, operated under contract by the state's Department of Employment and Training, is highly mandatory and work-focused. Virtually all participants follow a fixed sequence of activities, beginning with job search, and those who do not find jobs within eight weeks move into unpaid work experience positions. Vermont is one of only a handful of states that have met the strict federal work participation standards for two-parent cases.[8] As might be expected, relatively minor changes were required to mesh the two-parent Reach Up program with the time limit.

In contrast, Reach Up for single parents is voluntary and focuses strongly on post-secondary education and intensive case management. Many state officials strongly support this approach, and the time-limit policies are designed to accommodate it. As noted in Chapter 3, the work requirement may be delayed or reduced to allow participants to complete education programs.

At the same time, however, administrators have concluded that Reach Up should be restructured in some ways. Most critically, senior officials believe that the program should be focused more on

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[8]In fiscal year 1994, states were required to meet a 40 percent monthly participation rate for AFDC-UP cases. To count as a participant, at least one parent in the family must participate for at least 16 hours per week in a work activity (education, training, and job search activities do not count).

helping recipients move into unsubsidized employment before they reach their time limits so as not to overburden the post-time-limit community service employment program. Thus, the central challenge has been to increase the focus on employment without discarding the existing program philosophy, which is seen by Vermont officials as the most promising approach for helping many families leave welfare permanently.

The administrators who designed Florida's time-limit program saw a need to strengthen the JOBS program. An evaluation of Project Independence, completed in 1995, found that the program was cost-effective for taxpayers but, as funding declined, tended to provide mostly low-intensity individual job search services that did not produce large earnings impacts for participants.[9]

The Family Transition Act provided additional funding to expand Project Independence within the pilot counties and created a Bootstrap Training Program to help participants prepare for better jobs after leaving welfare for work. The legislation, however, offered limited guidance on how the program should operate in the context of FTP: It specified a sequence of activities (job search followed by workfare) for recipients deemed job-ready in Escambia County, the mandatory pilot county, but it did not define job-ready, and said nothing about how non-job-ready participants should be served.[10]

Local Project Independence staff in the pilot counties reported that they received little guidance in the early months about how their program should operate within FTP. Staff in both counties said they originally believed that the FTP version of Project Independence should focus heavily on human-capital-building activities, such as education and job training targeted toward relatively high-wage, stable jobs. This goal was never explicitly stated, but staff said they were signaled in this direction by the expanded funding available for the program. Later, local staff said they learned that administrators expected the program to be more employment-focused; thus they eventually settled on a balanced approach that largely follows participants' preferences (within the available time frame).

Some staff attributed the early mixed signals to the fact that Project Independence administrators played only a limited role in the initial design of the time-limit program. As noted earlier, FTP was designed by the state welfare agency, while the JOBS program is run by the state labor department. Central office staff pointed out that the FTP-Project Independence approach was always intended to be a mixed model that could be customized and individualized. However, they acknowledged that the absence of fixed rules for activity assignments for most clients may have been interpreted by local staff as a lack of guidance.

Wisconsin officials have a clear and dramatic vision of how JOBS should change under WNW. They have attempted to increase the work focus and sharply reduce the use of long-term education and training activities in the pilot counties' programs. In the words of one state official:

> One of the things we've heard from the business community is that the employers do not want us, the government, to be in the business of doing the job training. They want us

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[9]Kemple, Friedlander, and Fellerath, 1995. The evaluation did not include either of the FTP pilot counties.

[10]Project Independence has always used fixed criteria to sort participants into job-ready and non-job-ready categories. Those in the job-ready group usually receive job search services, and those in the non-job-ready group often move into education and training activities. The job-readiness criteria that were eventually developed for Escambia County are quite strict, and resulted in most participants being defined as non-job-ready.

to send ready, able, highly motivated people with decent work skills. Forget about the specifics of a particular job. Come on time, come willing to work with the team, come willing to take instructions from the boss, come clean, have basic reading, writing, and arithmetic skills. Third- or fourth-grade level is pretty basic. That's pretty much it.

In addition to increasing the emphasis on work, Wisconsin is implementing an unusual payment-for-performance JOBS system.[11] (See box, below.)

Wisconsin: A Pay-for-Performance JOBS Program

Normally, AFDC recipients who are required to participate in the JOBS program can be sanctioned if they fail to cooperate; when this occurs, the sanctioned parent is removed from the family grant calculation and the grant amount is reduced accordingly.

Under the Work Not Welfare (WNW) pilot, JOBS has been converted into a pay-for-performance program:

- Recipients are required to start participating in JOBS within 60 days after signing up for cash assistance. In general, education and training activities are restricted to the first 12 months; after that, recipients are expected to be working in a private job or a work experience position.
- A recipient's required hours of participation are calculated by dividing her WNW cash grant (which includes both AFDC and food stamps) by the hourly minimum wage of $4.25 per hour.
- Recipients must submit a timesheet at the end of each month. Their grants are reduced by $4.25 for each hour of participation they miss without good cause. Those who fail to show up for any activities have their grants reduced to zero (although the month still counts toward the time limit).

Concrete Steps for Refocusing JOBS

The kinds of change sought by senior administrators can be achieved only at the level at which JOBS workers interact with participants. Although the time limit alone dictates certain modifications because, for example, it makes some activity assignments impossible, all three states have attempted to bring about broader change in several ways, including addressing staff attitudes, changing activity assignment patterns, strengthening job search activities, and restructuring education and training activities.

As with the attempts to alter the welfare message (discussed in Chapter 5), many of the changes in JOBS described below can and have been implemented in the absence of a time limit; for example,

[11]The site visits conducted to gather information for this report were completed in April 1995, too early to assess the implementation of the pay-for-performance JOBS model. Future reports in this series may return to this topic. Wisconsin recently received a federal waiver to implement a pay-for-performance model statewide.

during the past several years, many states, responding to the evaluation results described earlier, have taken steps to increase the focus on employment in their JOBS programs.

Addressing staff attitudes. To change the focus of their JOBS programs, all three states had to address the attitudes of line staff in local JOBS programs. In many cases, these staff strongly support the program's current orientation.

Altering the staff focus has been particularly challenging in Vermont for several reasons. First, Vermont's program operates statewide and, although Vermont is small, stimulating change throughout a state may be more difficult than in one or two counties. The Reach Up program is also highly decentralized, and many staff are stationed in colleges, parent-child centers, and locations other than the welfare offices.

Most important, Reach Up staff strongly support the program's philosophy, and many are apprehensive about attempts to change it. As one Vermont administrator put it, "Reach Up staff think of themselves primarily as social workers, not employment counselors." This view was borne out in interviews with Reach Up staff: While many feel that participants need more help finding jobs, few saw job search, job development, and related activities as part of their duties. Some felt they did not have the time or expertise to take on this role, while others saw it as inconsistent with their emphasis on assessment, removing participation barriers, providing support services, and counseling. In some offices, staff objected to the idea of pushing recipients into low-wage jobs, which they saw as the goal of the time-limit program. As one worker put it, "What the public doesn't realize is that clients want to work, but they lack the skills to get decent jobs; it is wrong to force people to take dead-end low-paying jobs."

To address these issues, administrators organized a series of training workshops for Reach Up staff. These sessions explicitly conveyed the message that Reach Up case managers would soon be expected to help participants find employment by operating job clubs, supervising structured work search, and engaging in job development activities. The training also provided a basic introduction to these components and how they should be used. At the same time, management tried to make it clear that they were not abandoning the commitment to education and training, but were attempting to provide a more balanced model that would support time limits.

Evaluation criteria for Reach Up staff are being revised to reflect these new expectations; a more outcome-based assessment with job placement and other work measures is being developed to replace the current process-oriented model.

Changing activity assignment rules. Perhaps the most straightforward way to refocus the JOBS program is to change activity assignment procedures. All three states have taken some steps in this direction. For example:

- The Florida legislation authorizing FTP specifies a sequence of activities — three weeks of job search followed by work experience for those who do not find jobs — for participants in Escambia County who are deemed job-ready. (However, staff report that the strict criteria later developed to define job-readiness do not apply to most recipients, which means that JOBS assignments are individualized in most cases.)

- In Vermont, participants are required to take part in job search activities

beginning two months before they reach the time limit; after that point, they must work. As noted earlier, two-parent families are required to participate in a fixed sequence of activities beginning soon after they start receiving welfare.

- In Wisconsin, education and training activities are generally limited to the participants' first year on welfare; during the second year, they are supposed to be working in either subsidized or unsubsidized jobs.

Although these rules obviously affect many participants, the time limit plays an even more critical role in shaping activity assignment patterns, especially in Florida and Wisconsin. The most direct impact is on post-secondary degree programs; two-year or four-year programs are impossible in most cases (except for the participants in Florida who are subject to a 36-month time limit). This has been a major change in some areas. For example, staff in Pierce County, Wisconsin, estimated that before implementation of WNW, 60 percent of JOBS participants were in post-secondary programs. Several months before WNW began operating, staff began to warn participants that the new rules would no longer allow them to approve such programs.

Interestingly, some of the survey results from Florida, described in Chapter 5, suggest that time limits may push some recipients toward somewhat longer education or training activities. These recipients may feel that they should take advantage of the time allotted to them to build their skills, rather than looking for a job immediately.

In a more general sense, staff report that the time limit leads them to think more carefully about activity assignments and to monitor participants more closely. As one Wisconsin JOBS worker put it, "You're playing with someone's life . . . you have to look at the person more carefully because more is at stake."

Strengthening job search, job development, and work activities. A variety of strategies are used to help JOBS participants find employment. Some programs simply require participants to look for jobs on their own, while others operate group job clubs that teach job-seeking skills and include supervised job search. Some programs make extensive use of job developers, who are responsible for working with local employers to identify job openings for participants.

Evaluation results suggest that structured job clubs may be more effective than unsupervised, individual job search, and that job developers can increase the effectiveness of such programs. All three states have created or plan to create job clubs and enhanced job development capacity. These activities may become even more important as recipients approach the time limit; Florida, for example, intends to expand job development efforts and make heavier use of incentive payments for employers who hire AFDC recipients.[12]

In addition, all three states have taken steps to bolster work experience programs that place participants in unpaid positions with public, nonprofit, or, in rare cases, private employers. The goal of work experience programs is to help participants explore careers, learn work habits, and build self-esteem; ultimately, the programs may become mandatory for large portions of the caseload in all three

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[12]Under the Family Transition Act, HRS is allowed to provide incentive payments to employers who hire "hard to place" FTP participants into full-time jobs. These payments may amount to 70 percent of what the participant would have received in AFDC for up to one year. HRS intends to use these payments to promote the hiring of recipients who are approaching the time limit.

states.[13] This expansion is likely to require changes in how the states currently assess, refer, and match recipients with work slots. Now individually tailored for both participants and work sites, a larger program is likely to require more group-project-oriented assignments. Staff have voiced some concerns about the implications of this expansion: In Vermont, for example, case managers said that careful matching of individuals to work slots helps make the experience more effective as training for unsubsidized employment. Some staff feared that the training focus would be lost if the program grew much larger.

Restructuring education and training programs. Although all three states have taken steps to increase the employment focus of their JOBS programs, none has abandoned education and training. All three, however, have found it necessary to restructure some education and training activities to bring them in line with the time-limit focus. For example, some training programs last too long to fit within the time limits; others are shorter, but new classes begin only once a semester or once a year, so new trainees may have to wait several months to begin. Several strategies have been used to address these issues:

- **Flexible, open-entry programs.** In both Florida counties, JOBS staff have worked with local community or junior colleges to develop new learning centers specifically designed for FTP participants. These centers provide individualized, computer-assisted instruction and allow participants to enroll at any point. Alachua County's Workplace Training Center is designed to prepare clients for vocational training through computer-assisted basic skills remediation and computer/office software skills training. Escambia County has opened two Career Transition Centers, located at or near the FTP offices, that offer a range of services, including computer-assisted basic skills instruction at a variety of levels, life skills instruction, and assessment. (See box, below.)

- **Academic plans.** In Vermont, which has maintained a strong emphasis on post-secondary education, each student who wants to enroll in college must develop an academic plan describing her or his career goal. Students must do research and collect data on job prospects in their chosen field, entry wages, and other occupations attainable with the degree they are seeking. The plan is submitted to a panel, which decides whether to approve it.[14] As part of this process, some students attend brief classes designed to help them clarify their career goals.

- **Short-term training courses.** WNW in Fond du Lac County, Wisconsin, has worked with local school districts and employers to develop several short-term (two- to four-month) training courses in occupations such as printing, hospitality,

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[13]Each state has taken a different approach in designing their work experience programs. For example, in Vermont's post-time-limit community service employment component, participants will be paid wages for the hours they work; those who fail to participate satisfactorily may be sanctioned. Wisconsin's entire JOBS program, including its work experience component, has been structured around a payment-for-performance model. In Florida's pre-time-limit workfare component, recipients engage in unpaid work in exchange for their welfare grants. The post-time-limit Transitional Employment Program has not yet been designed, but it is expected that participants will be paid for the hours they work.

[14]The panel includes staff from DSW Reach Up, DET, the Vermont Student Assistance Corporation, and, in some cases, a college or university.

Florida: Tailoring the Menu of JOBS Activities

In Escambia County, Project Independence (Florida's JOBS program) has developed a number of new facilities and activities that reflect the time-limit focus. These include:

- Two Career Transition Centers, located at or near the FTP offices, that offer computer-assisted instruction in basic skills, life skills, and assessment. The centers, which continuously accept new enrollees, are operated by a local junior college.
- Survival Skills for Women, a two-week course stressing life skills, self-esteem, and other issues, which is operated under contract with the local Children's Services Center.
- An Employability Skills Workshop that provides intensive job club instruction, which is operated by JOBS staff.
- Workfare, which is operated under contract with Escambia County. A Workfare coordinator is stationed on site in each of the FTP offices to match participants with worksites.
- A mental health center provides in-depth assessments for participants who appear to have emotional problems.

and certified nurses aide. The courses are geared to specific job openings and offer "hands-on training rather than school." Florida JOBS staff have also sought to stimulate the creation of shorter training programs.

In some cases, these efforts have placed considerable pressure on community colleges and other key providers of vocational training, whose regular programs are not necessarily designed to fit within time limits.

Perhaps the greatest challenge lies in developing activity plans for participants with low reading levels. Although staff typically want to help these participants improve their reading skills, it is very unlikely they will reach the point of obtaining a GED and still have time to find a job, particularly within a 24-month time limit.

Tightening links and increasing intensity. In Florida and Wisconsin, where JOBS participation is mandatory for most recipients, staff have sought to reduce the lags between activities and ensure that participants remain active at all times. In interviews, staff in both states reported that JOBS had sometimes tolerated a leisurely approach that is no longer acceptable because the time limits increase the pressure to keep participants moving toward employment. In addition, apart from the time limits, both programs were designed specifically to increase activity among recipients while they receive AFDC, in part to encourage people to find jobs and leave the rolls. (In Wisconsin, recipients must "earn" their checks from the beginning.)

Some of the steps described in Chapter 5 — introducing JOBS into the front door of the welfare system and linking it with eligibility staff through teams — are designed partly to increase intensity

and avoid lags, as are the flexible, open-entry activities described above. In addition, staff have sought to improve attendance monitoring systems and, particularly in Wisconsin, to expedite and toughen the sanctioning process. Finally, both states are attempting to increase the number of hours per week recipients are required to participate, although staff reported that designing activity schedules that satisfy this objective can be difficult.

These efforts may be critical if many recipients have difficulty translating the seemingly distant time limit into short-term steps to prepare for work. Immediate, intensive JOBS participation may prevent people from wasting valuable months of eligibility.

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The imposition of a time limit may motivate many AFDC recipients to want to become self-sufficient. In some cases, however, this may not be enough. Education, training, job search, job development, and work programs are designed to provide a specific route to employment. Although each of the states has developed a different vision for how JOBS should operate in the context of a time limit, all of them see these activities as a critical element of their overall model, and each is attempting to make ambitious changes in their program. To some extent, these states are moving into uncharted territory, because JOBS was not designed with time limits in mind. The research has identified successful strategies for maximizing job placements but, thus far, JOBS programs have achieved only limited success in keeping large numbers of recipients off welfare permanently — an outcome that will take on greater significance under time-limited welfare.

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